

BOARD OF CO. COMMISSION

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COUNTY CLERK

Shawnee County, Kansas

Financial Report
Year Ended December 31, 2017

Shawnee County, Kansas
Basic Financial Statements
Year Ended December 31, 2017

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Independent Auditor's Report

RSM US LLP

To the Board of County Commissioners
Shawnee County, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas (the County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Shawnee County, Kansas, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and postemployment benefit information, and Budgetary Comparison Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shawnee County, Kansas' basic financial statements. The combining and individual nonmajor fund financial statements, listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Kansas City, Missouri
July 10, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of Shawnee County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2017. This discussion and analysis is designed to: (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the County's financial activity; (3) identify changes in the County's financial position; (4) identify any material deviations from the financial plan (the approved budget); (5) identify individual fund issues or concerns; and (6) facilitate transparency and demonstrate effective stewardship of public monies.

Shawnee County is governed by an elected three-member commission. These financial statements are presented as required by Generally Accepted Accounting Principles (GAAP).

FINANCIAL HIGHLIGHTS

General Fund Balance

The County's General Fund balance is extremely important to the County's financial security and it is one of many factors that are used by financial rating services to assign a rating to the County for the issuance of bonds and other debt instruments. Shawnee County levies property taxes each year for the general fund and adopts an annual budget for general fund expenditures.

In 2017, the General Fund's fund balance decreased by \$1,982,091 due to a fund transfer related to debt resulting in an ending balance of \$37,078,436 or 35.2% of revenues.

Net Position

Another important indicator of the County's financial health is its net position. As of December 31, 2017, the County's net position for the governmental activities totaled \$185,782,952 which is an increase of \$25,277,491 from 2016's ending balance of \$160,505,461. The net position of the County's business-type activities at December 31, 2017 was \$9,845,455 which represents an increase of \$1,009,304 from 2016.

It is also important to note that of the \$195,628,407 in total County net position at the end of 2017, \$21,511,643 was unrestricted and could be used to meet the County's ongoing obligations to citizens and creditors. Of the remaining net position, \$158,348,303 was the net investment in capital assets, while \$15,768,461 was otherwise restricted.

Long-Term Liabilities

As of December 31, 2017, the County's governmental activities long-term liabilities totaled \$141,443,060. Of that amount, \$12,006,707 is due within one year and \$41,545,719 relates to the County's net pension liability. The County's governmental long-term liabilities decreased in 2017 by \$6,326,720 primarily due to principal payments. Long-term liabilities for the County's business-type activities at December 31, 2017 were \$3,600,869, a decrease of \$49,378.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements by providing the reader with a broad overview of the financial statements. This overview is intended to assist the reader in understanding the statements themselves. The notes to the

financial statements, which follow the statements, are also essential for the reader's understanding of the financial statements. They contain valuable additional information that may be necessary for gaining an understanding of the County's financial position. Supplementary information is also included at the end of this report to provide additional information for the reader.

The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information regarding the County's assets and deferred outflows of resources along with liabilities and deferred inflows of resources. The differences between these are reported as net position. The increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Other factors to consider are changes in the County's tax base and changes in the condition of the County's infrastructure.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety and judicial, public works, highways and streets, health welfare and education, culture and recreation, and economic development. The business-type activities of the County include the Refuse Fund.

The accrual basis of accounting is utilized for the government-wide, fiduciary and proprietary fund financial statements. These statements focus on the long-term financial picture of the County as a whole. Under the accrual basis of accounting, revenues are recorded when earned, and expenses are recorded at the time the liabilities are incurred, regardless of when the cash flows take place. The governmental fund financial statements present the results of the County's operations using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. Expenditures, other than interest on long-term debt and compensated absences, are recorded when the liability is incurred.

Fund financial statements focus on individual parts of the County's government. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

The focus of governmental funds is narrower than that of the government-wide financial statements; therefore it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This may enable the reader to better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County has many individual governmental funds. The General Fund, Health Agency Fund and Sales Tax Fund are considered to be major funds. The information for the major funds is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Other governmental funds are combined for presentation in those statements. Individual fund data for each of other governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds - the County maintains two different types of proprietary funds:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the periodic determination of net income is deemed appropriate. The County currently has one enterprise fund, the Refuse Fund.

Internal Service Funds are used to account for the cost of operations shared by various functions of the County. The County has two internal service funds, the Workers' Compensation and Health Insurance Administration Fund account for the County's self-insurance activities. In the government-wide statements, the activity of the majority of these internal service funds' activity is presented as part of the governmental activity information.

Fiduciary funds are used by the County to account for resources held by the County for the benefit of a third party. The majority of these funds are taxes that are collected by the Treasurer's office for various taxing entities and then later distributed per Kansas statutes. Because the resources of these funds are not available for the County's operations, they are not presented in the government-wide financial statements, but a Statement of Assets and Liabilities – Fiduciary Funds is included in the report.

DISCUSSION AND ANALYSIS

A. Net position

The following table reflects the County's condensed Statements of Net Position as of December 31, 2017 and 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 156,868,575	\$ 146,876,900	\$ 12,022,173	\$ 10,622,116	\$ 168,890,748	\$ 157,499,016
Noncurrent assets	248,678,606	239,281,034	1,431,690	1,874,021	250,110,296	241,155,055
Total assets	405,547,181	386,157,934	13,453,863	12,496,137	419,001,044	398,654,071
Total deferred outflows of resources	9,747,264	10,637,084	650,334	754,166	10,397,598	11,391,250
Current liabilities	19,474,190	19,856,385	724,165	789,826	20,198,355	20,646,211
Noncurrent liabilities	131,629,342	139,168,597	3,380,405	3,452,906	135,009,747	142,621,503
Total liabilities	151,103,532	159,024,982	4,104,570	4,242,732	155,208,102	163,267,714
Total deferred inflows of resources	78,407,961	77,264,575	154,172	171,420	78,562,133	77,435,995
Net position:						
Net investment in capital assets	156,999,910	139,607,586	1,348,393	1,860,001	158,348,303	141,467,587
Restricted	15,768,461	8,954,315	-	-	15,768,461	8,954,315
Unrestricted	13,014,581	11,943,560	8,497,062	6,976,150	21,511,643	18,919,710
Total net position	\$ 185,782,952	\$ 160,505,461	\$ 9,845,455	\$ 8,836,151	\$ 195,628,407	\$ 169,341,612

Net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2017, the County's total net position was \$ 195,628,407, an increase of \$26,286,795 over 2016. Governmental activities increased \$25,277,491 while business-type activities increased by \$1,009,304. The increase is primarily related to an increase in property tax, motor vehicle tax, capital grants and charges for services.

By far, the largest portion of the governmental activities net position reflects the investment in capital assets (land, buildings, machinery and equipment and infrastructure), less any outstanding debt used to construct or acquire those assets. The County uses these assets to provide services to citizens, and consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The County's total net investment in capital assets increased from \$ 141,467,587 in 2016 for all County activities to \$158,348,303 in 2017. Of these amounts, the majority of this investment was for governmental activities. For 2017, the amount attributed to governmental activities was \$156,999,910.

It is important to note that a portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of 2017, net position of \$15,768,461 was classified as restricted.

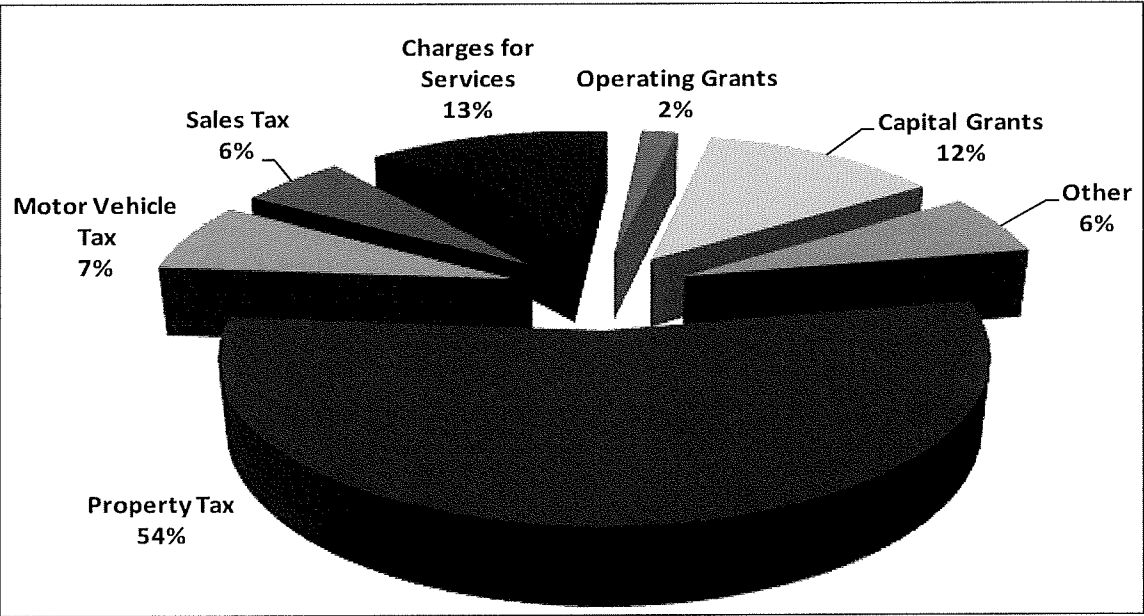
At the end of 2017, \$21,511,643 of the County's net position (\$13,014,581 governmental activities and \$8,497,062 business-type) was unrestricted.

B. Revenues and Expenses

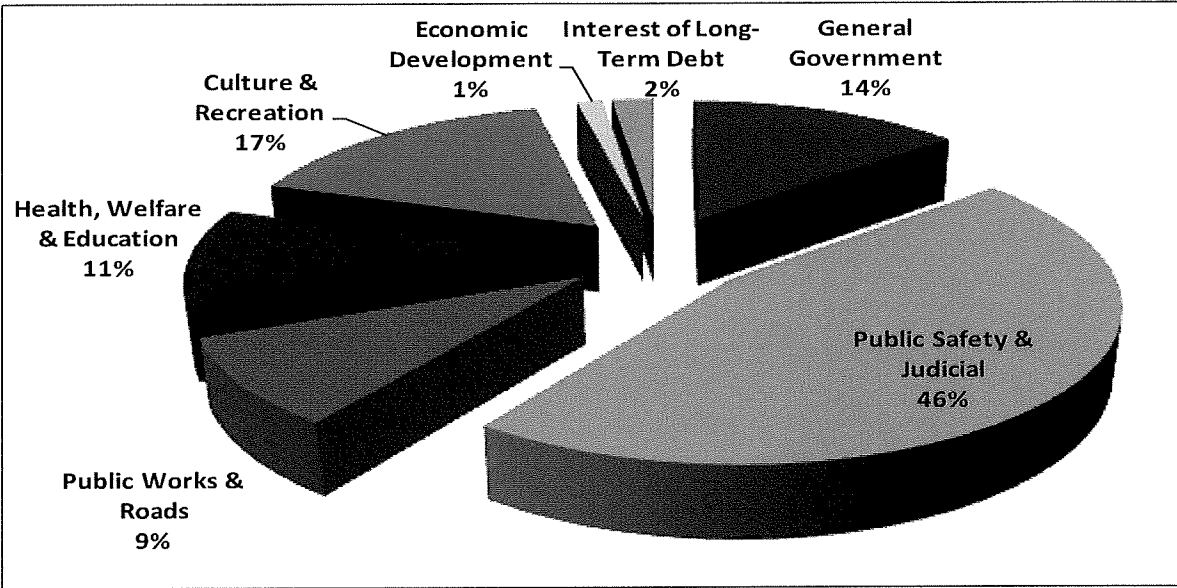
Generally, governmental activities comprise around 92% of the total revenues generated by the County and approximately 91% of the County's expenditures. The following table reflects the County's statements of activities for the years ended December 31, 2017 and December 31, 2016:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 17,542,027	\$ 15,439,593	\$ 13,024,817	\$ 12,389,218	\$ 30,566,844	\$ 27,828,811
Operating grants and contributions	2,966,408	7,024,073	-	-	2,966,408	7,024,073
Capital grants and contributions	17,481,645	5,056,910	-	-	17,481,645	5,056,910
General revenues:						
Property	75,874,550	74,595,049	-	-	75,874,550	74,595,049
Motor vehicle	10,015,012	9,777,865	-	-	10,015,012	9,777,865
Sales	7,723,605	7,817,618	-	-	7,723,605	7,817,618
Franchise	410,704	447,922	-	-	410,704	447,922
911 emergency	1,037,997	1,037,728	-	-	1,037,997	1,037,728
Grants and contributions						
not restricted to specific purposes	2,498,728	2,595,196	-	-	2,498,728	2,595,196
Unrestricted investment earnings	1,336,755	561,644	-	-	1,336,755	561,644
Other	3,576,960	3,005,152	-	-	3,576,960	3,005,152
Total revenues	140,464,391	127,358,750	13,024,817	12,389,218	153,489,208	139,747,968
Expenses:						
General government	16,173,392	15,797,809	-	-	16,173,392	15,797,809
Public safety and judicial	53,083,145	50,530,681	-	-	53,083,145	50,530,681
Public works, highways and streets	10,632,997	11,667,281	-	-	10,632,997	11,667,281
Health, welfare and education	12,742,016	16,671,210	-	-	12,742,016	16,671,210
Culture and recreation	18,962,172	17,619,350	-	-	18,962,172	17,619,350
Economic development	1,595,753	7,754,036	-	-	1,595,753	7,754,036
Interest on long-term debt	2,480,954	3,120,887	-	-	2,480,954	3,120,887
Refuse	-	-	11,531,984	10,654,585	11,531,984	10,654,585
Total expenses	115,670,429	123,161,254	11,531,984	10,654,585	127,202,413	133,815,839
Change in net position before transfers	24,793,962	4,197,496	1,492,833	1,734,633	26,286,795	5,932,129
Transfers	483,529	535,091	(483,529)	(535,091)	-	-
Change in net position after transfers	25,277,491	4,732,587	1,009,304	1,199,542	26,286,795	5,932,129
Net position, beginning	160,505,461	155,772,874	8,836,151	7,636,609	169,341,612	163,409,483
Net position, ending	\$ 185,782,952	\$ 160,505,461	\$ 9,845,455	\$ 8,836,151	\$ 195,628,407	\$ 169,341,612

The following pie chart summarizes the County's 2017 governmental activities revenues. It is easy to see that the County relies heavily on tax revenues to fund the County's functions and program services expenses. In 2017, property, motor vehicle, and sales taxes comprised 67% of the governmental activity revenues.



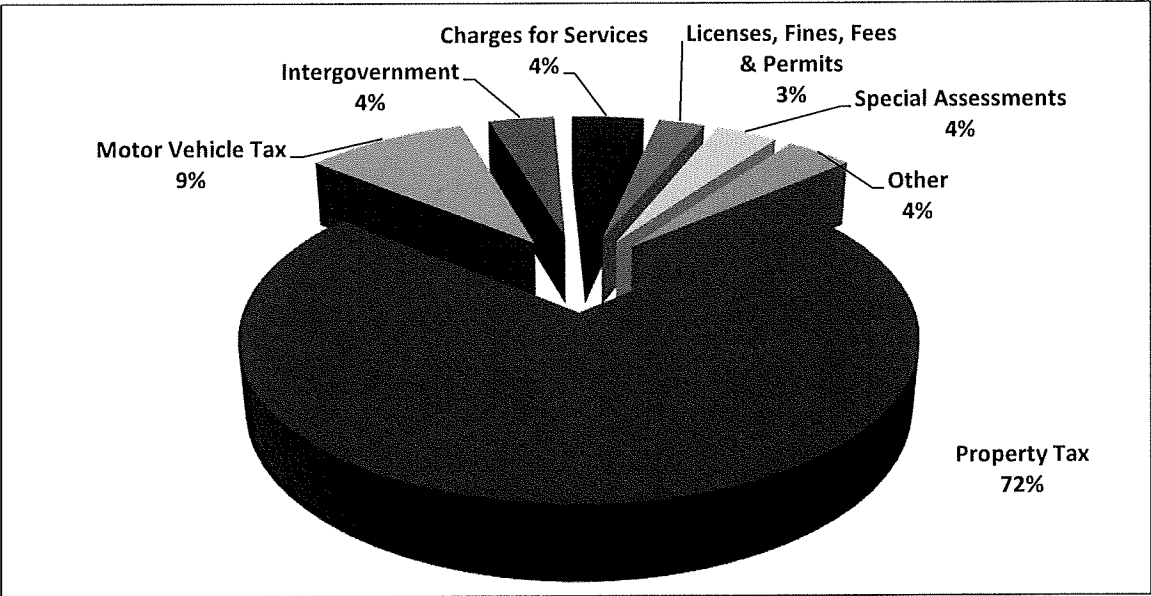
The chart below shows the breakout of the County's expenses for governmental activities:



For the year ended December 31, 2017 business-type activities increased the County's net position by \$1,009,304 primarily from an increase in fee revenue.

C. General Fund Highlights

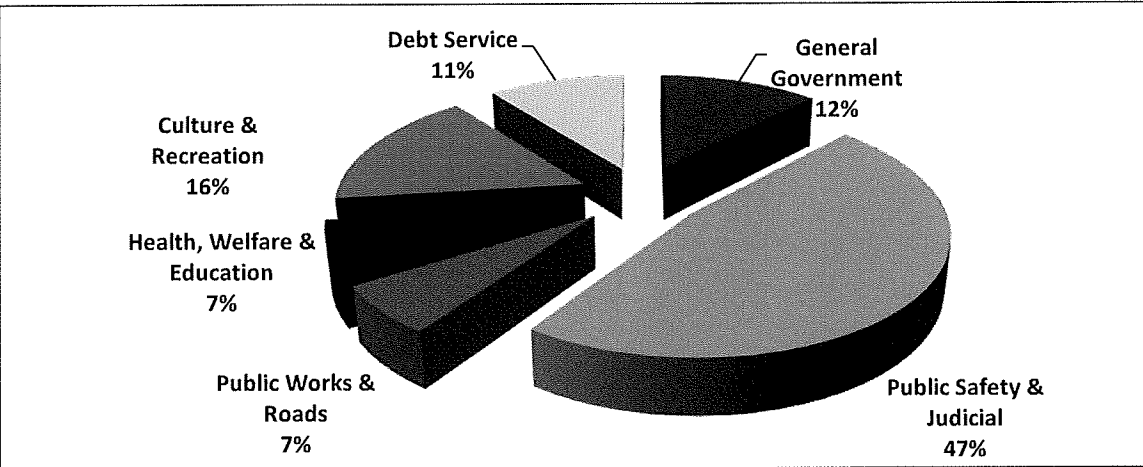
The following pie chart summarizes the County’s 2017 General Fund revenues. The County relies heavily on tax revenues for the County’s day-to-day operations. In 2017, property taxes, including in lieu of payments, comprised 72% of the General Fund revenue.



Revenue from fees and charges for services are generally collected for non-essential services provided by the County and in many cases, these charges do not cover the actual cost of the service. For example, most parks and recreation programs charge fees to participants to help fund the activities. The County also receives some fees from providing essential services. The majority of this revenue comes from other governmental entities for care of their prisoners at the Shawnee County Detention Center.

Special assessment revenue is not available to fund County operations. It is dedicated to paying the debt on the various special assessment projects that the County finances. These projects are paid for by the property owners who benefit from the improvements as special assessments on their County tax statements.

The chart below shows the breakout of the County’s expenditures in the General Fund.



The County's general fund expenditures can be divided into six main categories. The general government category includes the County's financial and administrative offices, as well as the County's general expenditures such as utility bills and insurance coverage.

The public safety and judicial category is primarily the County's detention facility and the Sheriff's office which now includes the emergency dispatch center. The public safety and judicial category is by far the largest with 47% of the expenditures. The majority of the services in this category are services that the County has a statutory obligation to provide.

The public works, highways, and streets category covers the various functions provided by the Public Works Department such as maintaining County roads and snow removal. Major capital projects by the Public Works Department are not included in the General Fund. Most of these capital projects are funded by various sources including sales tax and grant finds.

The health, welfare, and education category is primarily the County's allocations for mental health, development disabilities, and other social services.

The culture and recreation category encompasses the activities of the County's parks and recreation programs and the routine the maintenance of Shawnee County recreation centers and parks including Lake Shawnee. The County's parks and recreation department includes parks and recreational facilities within the City of Topeka. This category does not include major capital projects.

The last category is debt service. This includes bond payments, temporary note payments, payments on certificates of participation, and payments for special assessments.

The County's budget is prepared according to Kansas State statutes and must be certified by August 25th of the preceding year. The most significant budgeted fund for Shawnee County is the General Fund. The County's day-to-day operations are funded through the General Fund.

2017 General Fund revenues and transfers in were \$106,417,052 compared to \$103,489,265 in 2016 which represents an increase of \$2,927,787 or 2.83%. 2017 General Fund expenditures and transfers out were \$108,399,143 compared to \$101,290,747 in 2016 which represents an increase of \$7,108,396 or 7.02%. This increase resulted primarily from increased employee wages and debt retirement.

The County's mill levy to support the 2017 General Fund budget was \$48.345.

General Fund Budgetary Highlights

Current fiscal year's revenues and transfers in were \$527,959 greater than budgeted amounts due to more actual amounts of taxes, intergovernmental and other revenue than budgeted. Expenditures were \$1,591,039 less than the budget due to sound management practices by all departments and transfers out were \$3,642,454 more than the budget due to a transfer between funds.

Capital Assets and Debt Administration

Capital Assets

Shawnee County's capital assets for its governmental and business-type activities as of December 31, 2017 were \$219,395,136 (net of depreciation) compared to \$212,345,285 at the end of 2016.

The largest increase in capital assets, net of depreciation, from 2016 to 2017 was in the completion of construction projects. It is important to note that these projects are not funded solely by property taxes.

Proceeds from long-term debt, sales tax funding, grants, utility cost savings, and fees for services are additional sources of revenue.

Shawnee County, Kansas
Capital Assets
(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 28,714,624	\$ 28,714,624	\$ -	\$ -	\$ 28,714,624	\$ 28,714,624
Construction in process	656,740	21,998,646	-	-	656,740	21,998,646
Infrastructure	115,166,712	91,705,841	-	-	115,166,712	91,705,841
Buildings and improvements	64,963,399	58,817,920	28,958	31,026	64,992,357	58,848,946
Furniture, fixtures and office equipment	3,593,406	5,085,135	576	852	3,593,982	5,085,987
Motor vehicles	1,950,265	1,495,588	1,247,281	1,385,471	3,197,546	2,881,059
Tools and other equipment	3,001,597	2,667,530	71,578	442,652	3,073,175	3,110,182
	<u>\$ 218,046,743</u>	<u>\$ 210,485,284</u>	<u>\$ 1,348,393</u>	<u>\$ 1,860,001</u>	<u>\$ 219,395,136</u>	<u>\$ 212,345,285</u>

For additional information on capital assets, see Note 3 to the Basic Financial Statements.

Debt Administration

The County's general obligation bond debt was \$47,710,686 at the end of 2017 compared to \$53,714,831 at the end of 2016. Overall for 2017, the County decreased its general obligation debt by \$6,004,145. This decrease resulted from the repayment of debt.

During 2017, the County's overall debt decreased by \$5,287,822. While there was a net decrease resulting from the repayment of debt, the County also increased debt through loan proceeds from the Kansas Department of Transportation of \$2,423,799 for the replacement of the Willard Bridge.

General obligation bonds have been issued for special assessment projects which are eventually paid for by the taxpayers owning property within the benefit district of the related improvement. The County merely finances the projects on behalf of the benefit districts.

In October 2017, Moody's assigned a rating of Aa1 to Shawnee County's General Obligation Debt and a rating of Aa2 to Shawnee County's Certificates of Participation. Their opinion listed strengths as five consecutive years of operating fund surpluses resulting in significantly improved reserve levels, low debt burden and institutional stability provided by state capital of Topeka (Aa3), which is also the county seat. The opinion listed challenges as history of moderate tax base volatility and concentrated employment base with exposure to state government.

Shawnee County, Kansas Outstanding Obligations

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 47,710,686	\$ 53,714,831	\$ -	\$ -	\$ 47,710,686	\$ 53,714,831
Loans	9,017,576	6,621,526	-	-	9,017,576	6,621,526
Certificates of participation	34,742,765	37,078,760	-	-	34,742,765	37,078,760
Capital lease obligations	766,149	669,732	-	-	766,149	669,732
Compensated absences	4,531,115	4,368,199	380,418	358,544	4,911,533	4,726,743
Early Retirement Incentive	-	57,469	-	-	-	57,469
Net OPEB obligation	3,129,050	2,730,287	211,551	177,784	3,340,601	2,908,071
	<u>\$ 99,897,341</u>	<u>\$ 105,240,804</u>	<u>\$ 591,969</u>	<u>\$ 536,328</u>	<u>\$ 100,489,310</u>	<u>\$ 105,777,132</u>

For additional information on debt administration, see Note 5 to the Basic Financial Statements.

F. Economic Factors

Economic factors can have a substantial impact on the valuation of property and thus, the tax revenues generated by a County's levy. The impact is delayed due to the timing of the property valuation process in relation to the budget. Valuations are calculated on the value of property at the beginning of a year although this final valuation number is not set until November of that year. That valuation number is then used in the budget process for the preceding fiscal year. For example, the final valuation for property on January 1, 2016 was used in the levy calculation for the 2017 budget. Any impact from economic factors on valuation is delayed and is not seen until a year or two later. The assessed valuation as of January 1, 2016, which was used for the 2017 budget, showed a slight increase from the prior year. The assessed valuation as of January 1, 2017, which will be used for the 2018 budget also shows a slight increase from the prior year.

Shawnee County and the City of Topeka continue to invest in local infrastructure and encourage business growth in the community. In 2001, the County entered into an interlocal agreement with the City of Topeka to form the "Joint Economic Development Organization" known as JEDO. JEDO is a separate legal entity that is governed by a seven-member board containing the three County Commissioners, the City Mayor, Deputy Mayor and two other city Council members. The principal mission of JEDO is the support of a strong economic development program designed to expand employment, strengthen the tax base, invest in the infrastructure of the community, and diversify and strengthen the Topeka and Shawnee County economy.

The funds to support these efforts in economic development have been garnered from a County-wide sales tax. In August of 2004, the electorate of Shawnee County approved the implementation of a one-half cent sales tax to begin in 2005 and expired at the end of 2016. In November of 2014, the citizens of Shawnee County approved the extension of the one-half cent sales tax beginning in 2017 through the end of 2031. The sales tax revenue from this extension is designated for economic development, County bridge projects, improvements to the ExpoCentre, road projects, improvements to the zoo, and bike trails.

Requests for Information

This financial report is designed to provide a general overview of the finances of Shawnee County government. Questions concerning any of the information should be addressed to Financial Administrator, Shawnee County Audit-Finance Department, 200 SE 7th Street, Suite 201, Topeka, KS, 66603-3903.

SHAWNEE COUNTY, KANSAS
Statement of Net Position
December 31, 2017

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
Assets			
Current assets			
Cash and short-term investments	\$ 76,795,929	\$ 10,814,717	\$ 87,610,646
Receivables, net:			
Taxes receivable, net	75,780,298	-	75,780,298
Accounts receivable, net	492,650	242,327	734,977
Interest receivable	194,563	-	194,563
Due from other governments	3,605,135	965,129	4,570,264
Total current assets	156,868,575	12,022,173	168,890,748
Noncurrent assets			
Cash and short-term investments - restricted	1,050,734	-	1,050,734
Receivables, net:			
Special assessments receivable, net	29,426,899	-	29,426,899
Internal balances	(77,011)	77,011	-
Prepays	231,241	-	231,241
Inventory	-	6,286	6,286
Capital Assets:			
Land and construction in progress, non-depreciable	29,371,364	-	29,371,364
Other capital assets, net of depreciation	188,675,379	1,348,393	190,023,772
Total noncurrent assets	248,678,606	1,431,690	250,110,296
Total assets	405,547,181	13,453,863	419,001,044
Deferred outflows of resources			
Deferred charge on refunding	2,334,597	-	2,334,597
Deferred outflows - pension	7,412,667	650,334	8,063,001
Total deferred outflows of resources	9,747,264	650,334	10,397,598
Liabilities			
Current liabilities			
Accounts payable	3,874,179	370,190	4,244,369
Accrued expenses	1,632,206	133,511	1,765,717
Due to other governments	250,665	-	250,665
Unearned revenue	18,668	-	18,668
Accrued interest payable	779,683	-	779,683
Current portion of claims payable	912,082	-	912,082
Current portion of long-term liabilities	12,006,707	220,464	12,227,171
Total current liabilities	19,474,190	724,165	20,198,355
Noncurrent liabilities			
Claims payable	2,192,989	-	2,192,989
Long-term liabilities:			
Due in more than one year	87,890,634	371,505	88,262,139
Net pension liability	41,545,719	3,008,900	44,554,619
Total noncurrent liabilities	131,629,342	3,380,405	135,009,747
Total liabilities	151,103,532	4,104,570	155,208,102
Deferred inflows of resources			
Property taxes revenue	75,518,296	-	75,518,296
Pension - related amounts	2,889,665	154,172	3,043,837
Total deferred inflows of resources	78,407,961	154,172	78,562,133
Net Position			
Net investment in capital assets	156,999,910	1,348,393	158,348,303
Restricted for:			
Public safety and judicial	3,243,867	-	3,243,867
Public works, highways and streets	5,292,405	-	5,292,405
Health, welfare and education	560,970	-	560,970
Culture and recreation	253,447	-	253,447
Capital projects	657,425	-	657,425
Economic development	4,554,995	-	4,554,995
Other purposes	1,205,352	-	1,205,352
Unrestricted	13,014,581	8,497,062	21,511,643
Total net position	\$ 185,782,952	\$ 9,845,455	\$ 195,628,407

See Accompanying Notes to the Basic Financial Statements

SHAWNEE COUNTY, KANSAS
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 16,173,392	\$ 4,993,293	\$ 5,228	\$ -	\$ (11,174,871)	\$ -	\$ (11,174,871)
Public safety and judicial	53,083,145	4,920,870	-	-	(48,162,275)	-	(48,162,275)
Public works, highways and streets	10,632,997	2,066,216	-	9,109,477	542,696	-	542,696
Health, welfare and education	12,742,016	849,454	2,939,538	-	(8,953,024)	-	(8,953,024)
Culture and recreation	18,962,172	4,712,194	21,842	-	(14,228,336)	-	(14,228,336)
Economic development	1,595,753	-	-	8,372,168	6,776,415	-	6,776,415
Interest on long-term debt	2,480,954	-	-	-	(2,480,954)	-	(2,480,954)
Total Governmental Activities	115,670,429	17,542,027	2,966,408	17,481,645	(77,680,349)	-	(77,680,349)
Business-Type Activities:							
Refuse	11,531,984	13,024,817	-	-	-	1,492,833	1,492,833
Total Business-Type Activities	11,531,984	13,024,817	-	-	-	1,492,833	1,492,833
Total Primary Government	\$ 127,202,413	\$ 30,566,844	\$ 2,966,408	\$ 17,481,645	\$ (77,680,349)	\$ 1,492,833	\$ (76,187,516)
General Revenues:							
Taxes:							
Property					75,874,550	-	75,874,550
Motor vehicle					10,015,012	-	10,015,012
Sales					7,723,605	-	7,723,605
Franchise					410,704	-	410,704
911 emergency					1,037,997	-	1,037,997
Grants and contributions not restricted to specific purposes					2,498,728	-	2,498,728
Unrestricted investment earnings					1,336,755	-	1,336,755
Other					3,576,960	-	3,576,960
Transfers					483,529	(483,529)	-
Total general revenues and transfers					102,957,840	(483,529)	102,474,311
Changes in net position					25,277,491	1,009,304	26,286,795
Net position - beginning of year					160,505,461	8,836,151	169,341,612
Net position - end of year					\$ 185,782,952	\$ 9,845,455	\$ 195,628,407

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Balance Sheet - Governmental Funds
December 31, 2017

	General Fund	Health Agency Fund	Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and short-term investments	\$ 39,346,059	\$ 2,518,465	\$ 2,949,375	\$ 26,339,580	\$ 71,153,479
Taxes receivable, net	75,647,533	-	-	132,765	75,780,298
Accounts receivable, net	427,594	60,698	-	4,358	492,650
Interest receivable	194,563	-	-	-	194,563
Due from other governments	-	578,728	1,886,645	1,139,762	3,605,135
Due from other funds	654,789	-	-	-	654,789
Prepays	175,946	-	-	55,295	231,241
Special assessments receivable, net	29,426,899	-	-	-	29,426,899
Total assets	\$ 145,873,383	\$ 3,157,891	\$ 4,836,020	\$ 27,671,760	\$ 181,539,054
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	\$ 2,527,353	\$ 95,446	\$ 30,360	\$ 1,113,320	\$ 3,766,479
Accrued expenditures	1,454,743	88,546	-	88,917	1,632,206
Due to other governments	-	-	250,665	-	250,665
Due to other funds	-	-	-	667,724	667,724
Unearned revenue	-	18,668	-	-	18,668
Total liabilities	3,982,096	202,660	281,025	1,869,961	6,335,742
Deferred Inflows of resources:					
Unavailable revenue - property taxes	75,385,952	-	-	132,344	75,518,296
Unavailable revenue - special assessments	29,426,899	-	-	-	29,426,899
Unavailable revenue - grants	-	211,519	-	91,223	302,742
Total deferred inflows of resources	104,812,851	211,519	-	223,567	105,247,937
Fund balances					
Nonspendable:					
Prepaid Items	175,946	-	-	55,295	231,241
Restricted:					
Public safety and judicial	-	-	-	3,243,867	3,243,867
Public works, highways and streets	-	-	-	5,292,405	5,292,405
Health, welfare and education	-	495,252	-	65,718	560,970
Culture and recreation	-	-	-	253,447	253,447
Capital projects	-	-	-	657,425	657,425
Economic development	-	-	4,554,995	-	4,554,995
Other purposes	-	-	-	1,205,352	1,205,352
Committed:					
Public safety and judicial	-	-	-	354,339	354,339
Culture and recreation	-	-	-	59,069	59,069
Assigned:					
General government	3,639,753	-	-	-	3,639,753
Public safety and judicial	-	-	-	644,708	644,708
Public works, highways and streets	-	-	-	11,568	11,568
Health, welfare and education	5,474	2,248,460	-	4,320	2,258,254
Culture and recreation	533,353	-	-	441,252	974,605
Capital projects	-	-	-	13,721,780	13,721,780
Other purposes	75,294	-	-	-	75,294
Unassigned:	32,648,616	-	-	(432,313)	32,216,303
	37,078,436	2,743,712	4,554,995	25,578,232	69,955,375
Total liabilities, deferred inflows of resources and fund balances	\$ 145,873,383	\$ 3,157,891	\$ 4,836,020	\$ 27,671,760	\$ 181,539,054

Shawnee County, Kansas
Reconciliation of the Balance Sheet - Governmental
Funds to the Statement of Net Position
December 31, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balances - total governmental funds	\$ 69,955,375
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of those assets is capitalized and shown at cost, net of accumulated depreciation. This is the amount of net capital assets reported in the statement of net position	218,046,743
Long-term assets are not available to pay for current period expenditures and are therefore reported as unavailable revenue in the fund statements	29,729,641
Deferred outflows of resources related to pensions are not due and payable in the current period and therefore are not reported in the funds	7,412,667
Deferred inflows of resources related to pensions do not increase net position until a future period and therefore are not reported in the fund statements	(2,889,665)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items as follows:	
Deferred charge on refunding	2,334,597
Accrued interest payable	(779,683)
Net pension liability	(41,545,719)
Long-term debt	(99,897,341)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service fund are reported with governmental activities in the statement of net position.	<u>3,416,337</u>
Total net position of governmental activities	<u><u>\$ 185,782,952</u></u>

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Health Agency Fund	Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes					
Property	\$ 75,749,325	\$ -	\$ -	\$ 125,225	\$ 75,874,550
Motor vehicle	9,999,963	-	-	15,049	10,015,012
Sales	-	-	7,661,646	61,959	7,723,605
Franchise	410,704	-	-	-	410,704
911 emergency	-	-	-	1,037,997	1,037,997
Intergovernmental	4,142,451	2,636,796	-	5,405,325	12,184,572
Charges for services	4,479,015	724,545	-	2,184,894	7,388,454
License, fines, fees and permits	2,924,432	-	-	2,089,183	5,013,615
Interest income	1,336,755	-	-	-	1,336,755
Special assessments	3,842,511	-	-	794	3,843,305
Other	2,393,142	5,878	8,372,168	1,177,937	11,949,125
Total revenues	<u>105,278,298</u>	<u>3,367,219</u>	<u>16,033,814</u>	<u>12,098,363</u>	<u>136,777,694</u>
Expenditures:					
Current:					
General government	11,978,997	-	-	2,924,427	14,903,424
Public safety and judicial	46,551,514	-	-	4,907,509	51,459,023
Public works, highways and streets	6,457,159	-	-	1,709,992	8,167,151
Health, welfare and education	6,773,036	5,615,650	-	61,053	12,449,739
Culture and recreation	16,051,460	-	194,231	64,037	16,309,728
Economic development	-	-	1,595,753	-	1,595,753
Debt service:					
Principal retirement	7,766,388	-	-	1,036,976	8,803,364
Interest and fiscal charges	2,509,509	-	-	234,704	2,744,213
Capital outlay	-	-	-	15,441,326	15,441,326
Total expenditures	<u>98,088,063</u>	<u>5,615,650</u>	<u>1,789,984</u>	<u>26,380,024</u>	<u>131,873,721</u>
Excess of revenues over (under) expenditures	<u>7,190,235</u>	<u>(2,248,431)</u>	<u>14,243,830</u>	<u>(14,281,661)</u>	<u>4,903,973</u>
Other financing sources (uses):					
Issuance of debt	-	-	-	2,423,799	2,423,799
Issuance of refunding debt	-	-	-	3,455,000	3,455,000
Issuance premium	-	-	-	199,521	199,521
Payments to escrow agent	-	-	-	(3,563,847)	(3,563,847)
Transfers in	1,138,754	2,151,781	-	18,781,219	22,071,754
Transfers (out)	<u>(10,311,080)</u>	<u>(350,000)</u>	<u>(9,688,835)</u>	<u>(1,262,875)</u>	<u>(21,612,790)</u>
Total other financing sources (uses)	<u>(9,172,326)</u>	<u>1,801,781</u>	<u>(9,688,835)</u>	<u>20,032,817</u>	<u>2,973,437</u>
Net change in fund balances	<u>(1,982,091)</u>	<u>(446,650)</u>	<u>4,554,995</u>	<u>5,751,156</u>	<u>7,877,410</u>
Fund balances - beginning of year	<u>39,060,527</u>	<u>3,190,362</u>	<u>-</u>	<u>19,827,076</u>	<u>62,077,965</u>
Fund balances (deficit) - end of year	<u>\$ 37,078,436</u>	<u>\$ 2,743,712</u>	<u>\$ 4,554,995</u>	<u>\$ 25,578,232</u>	<u>\$ 69,955,375</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	7,877,410
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and the effect of other capital asset transactions in the current period:

Capital outlay		20,132,559
Capital contributions		545,043
Depreciation expense		(13,056,996)
Loss on disposal of capital assets		(59,147)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Deferred inflows of resources - special assessment revenue		2,838,909
Deferred inflows of resources - grants		302,742

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments		8,803,364
Payments to escrow agent		3,563,847
Debt issued and capital lease financing		(2,935,831)
Refunding debt issued		(3,455,000)
Issuance premium		(199,521)
Amortization of premiums, discounts, and deferred amounts, net		153,145
Change in accrued interest payable		110,115

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences		(162,916)
Change in early retirement incentive		57,469
Change in other post employment benefit obligations		(398,763)

Payment of pension contributions is an expenditure in the governmental funds, but reduces the net pension liability in the statement of net position. Additionally, the effect of changes in deferred inflows and deferred outflows for pensions are only recorded in the statement of activities

172,594

Internal service funds are used by management to charge the costs of vehicles and equipment replacement to individual funds. The net revenue of certain activities of the Internal Service fund is reported with governmental activities.

988,468

Total changes in net position of governmental activities	\$	<u>25,277,491</u>
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Shawnee County, Kansas
Statement of Net Position
Proprietary Funds
December 31, 2017

	<u>Refuse</u>	<u>Internal Service Funds</u>
Assets		
Current assets:		
Cash and short-term investments	\$ 10,814,717	\$ 6,693,184
Accounts receivables, net	242,327	-
Due from other governments	965,129	-
Due from other funds	-	12,935
Inventory	6,286	-
Total current assets	<u>12,028,459</u>	<u>6,706,119</u>
Noncurrent assets:		
Capital Assets:		
Other capital assets, net of depreciation	<u>1,348,393</u>	<u>-</u>
Total capital assets	<u>1,348,393</u>	<u>-</u>
Total assets	<u>13,376,852</u>	<u>6,706,119</u>
Deferred outflows of resources		
Deferred outflows - pension	<u>650,334</u>	<u>-</u>
Total deferred outflows of resources	<u>650,334</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	370,190	107,700
Accrued expenses	133,511	-
Claims payable	-	3,105,071
Long-term liabilities, due in one year	<u>220,464</u>	<u>-</u>
Total current liabilities	<u>724,165</u>	<u>3,212,771</u>
Noncurrent liabilities:		
Long-term liabilities, due in more than one year	371,505	-
Net pension liability	<u>3,008,900</u>	<u>-</u>
Total noncurrent liabilities	<u>3,380,405</u>	<u>-</u>
Total liabilities	<u>4,104,570</u>	<u>3,212,771</u>
Deferred inflows of resources		
Deferred inflow - pension	<u>154,172</u>	<u>-</u>
Total deferred inflows of resources	<u>154,172</u>	<u>-</u>
Net Position		
Investment in capital assets	1,348,393	-
Unrestricted	<u>8,420,051</u>	<u>3,493,348</u>
Total net position	<u>\$ 9,768,444</u>	<u>\$ 3,493,348</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	<u>77,011</u>	
Net position of business-type activities	<u>\$ 9,845,455</u>	

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	<u>Refuse</u>	<u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 12,771,460	\$ 11,757,399
Other	253,357	682,297
Total operating revenues	<u>13,024,817</u>	<u>12,439,696</u>
Operating expenses:		
Personal services	5,677,171	32,899
Contractual services	3,218,644	1,242,387
Supplies	1,349,646	-
Utilities	10,149	-
Claims	-	10,105,177
Other	92,805	11,630
Depreciation	1,267,269	-
Total operating expenses	<u>11,615,684</u>	<u>11,392,093</u>
Operating income	<u>1,409,133</u>	<u>1,047,603</u>
Income before transfers	1,409,133	1,047,603
Transfers in	-	24,565
Transfers (out)	<u>(483,529)</u>	<u>-</u>
Change in net position	925,604	1,072,168
Total net position - beginning of year	<u>8,842,840</u>	<u>2,421,180</u>
Total net position - end of year	<u>\$ 9,768,444</u>	<u>\$ 3,493,348</u>
Change in net position	\$ 925,604	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	<u>83,700</u>	
Change in net position of business-type activities	<u>\$ 1,009,304</u>	

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Cash Flows -
Proprietary Funds
For the Year Ended December 31, 2017

	<u>Refuse</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers	\$ 13,023,999	\$ -
Receipts from interfund and other services	-	12,439,696
Payments to suppliers	(4,745,605)	(10,836,093)
Payments to employees for services	(5,639,965)	(32,899)
Net cash provided by operating activities	<u>2,638,429</u>	<u>1,570,704</u>
Cash flows from noncapital financing activities:		
(Increase) in due from other funds	-	(614)
Transfers (to) from other funds	(483,529)	24,565
Net cash provided by (used in) noncapital financing activities	<u>(483,529)</u>	<u>23,951</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(755,661)	-
Net cash (used in) capital and related financing activities	<u>(755,661)</u>	<u>-</u>
Net increase in cash and short-term investments	1,399,239	1,594,655
Cash and short-term investments, beginning of year	<u>9,415,478</u>	<u>5,098,529</u>
Cash and short-term investments, end of year	<u>\$ 10,814,717</u>	<u>\$ 6,693,184</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 1,409,133	\$ 1,047,603
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,267,269	-
Change in assets and liabilities:		
Accounts receivables (net)	(5,411)	-
Due from other governments	4,593	-
Inventory	14,423	-
Deferred outflows	103,832	-
Accounts payable and accrued expenses	(88,784)	16,208
Claims payable	-	506,893
Compensated absences and OPEB obligations	55,641	-
Net pension liability	(105,019)	-
Deferred inflows	(17,248)	-
Net cash provided by operating activities	<u>\$ 2,638,429</u>	<u>\$ 1,570,704</u>

See Accompanying Notes to the Basic Financial Statements

Shawnee County, Kansas
Statement of Assets and Liabilities
Fiduciary Funds
December 31, 2017

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ 141,242,686
Tax Receivable, net	632,066
	<u>\$ 141,874,752</u>
Liabilities	
Due to taxing districts, governments, and others	<u>\$ 141,874,752</u>

See Accompanying Notes to the Basic Financial Statements

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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1. Reporting Entity and Summary of Significant Accounting Policies

The accompanying basic financial statements of Shawnee County, Kansas (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to local governmental units. The County's significant accounting policies are described below:

Reporting Entity

The County is governed by a County Commission comprised of a chairman, vice-chairman and member. Elected officials are responsible for the operations of certain County offices, including the Treasurer's, County Clerk's, Sheriff's, District Attorney's, Register of Deeds' and the Third Judicial District Court Judge's. Appointed officials are responsible for certain offices, including the Appraiser's and Financial Administrator's. In evaluating the County's financial reporting entity, management has considered all potential component units and has determined there are no material component units over which the County is financially accountable. Financial accountability is based primarily on non-operational or financial relationships with the County (as distinct from legal relationships). These financial statements include all accounts for which the County is considered to be financially accountable.

Sherwood Regional Wastewater Treatment District is reported as a blended component unit of Shawnee County. The governing body for this district is the Shawnee County Board of County Commissioners. As provided by K.S.A. 19-27a01(e), this district is a separate legal entity and is the owner of the sewer system, the Sherwood Regional Wastewater Treatment Plant and related facilities within the Sewer District.

Basis of Presentation

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds).

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the County, the primary government, as a whole, with the exclusion of the fiduciary funds which contain assets not available for use by the County. Eliminations have been made to minimize the doubling effects of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or functions and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by that function and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the County.

The County's net position is reported in three parts—net investment in capital assets, restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance restricted activities.

The government-wide financial statements are more focused on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

SHAWNEE COUNTY, KANSAS
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Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary and fiduciary funds—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for service, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The major governmental funds of the County are described below:

General Fund

This fund is the primary operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is also used to account for the resources accumulated and payments made for principal and interest on general long-term debt associated with equipment and facilities owned and leased by the County, except those accounted for in another fund.

Health Agency Fund

This special revenue fund accounts for all financial resources required to administer the public health facilities and programs available to County citizens.

Sales Tax Fund

This special revenue fund accounts for the sales tax received from a County-wide one-half percent sales tax as well as the economic development and capital projects funded by this tax.

The County reports the following major enterprise fund:

Refuse Fund

This fund accounts for the operation of the waste disposal activities for the County.

The County also reports the following additional fund types:

Special Revenue Funds —these funds account for specific revenue sources (other than major capital projects) that are restricted by enabling legislation to expenditures for specified purposes.

Capital Projects Funds —these funds are used to account for capital project related resources and project costs.

Internal Service Funds —these funds account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County maintains two internal service funds that accounts for the health insurance and workers' compensation insurance programs.

Fiduciary Funds —these funds accounts for the resources held for others and property taxes collected on behalf of other governments. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

SHAWNEE COUNTY, KANSAS
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Measurement Focus and Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds utilize the accrual basis of accounting but have no measurement focus. Revenue from exchange and exchange-like transactions is recognized when earned. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, can include certain grants and donations. Revenue from non-exchange transactions is recognized when all eligibility requirements or other measurement criteria have been satisfied. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements

All governmental funds are reported using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, certain revenue sources are deemed both measurable and available. The County considers all revenues for investment earnings, special assessments and state-levied, locally shared taxes (including motor vehicle fees) to be available if the revenues are collected within sixty days after year-end. Reimbursements due for federally funded projects are accrued as revenue at the time qualifying expenditures have been incurred and all other grant requirements have been met, and in the governmental funds, when the availability criteria has also been met. When cash is received in advance, it is recorded as unearned revenue until expenditures are made. Proceeds of long-term debt are reported as other financing sources.

Other revenues, including licenses and permits, certain charges for services, certain fees and fines and certain miscellaneous revenue are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, landfill closure costs, pensions and compensated absences, which are recognized as expenditures to the extent that they have matured. General capital asset acquisitions are reported as expenditures in the governmental funds. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

This approach differs from the manner in which the government-wide financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund financial statements.

Pooled Cash, Cash Equivalents and Investments

The cash balances of substantially all funds are pooled and invested by the Financial Administrator for the purpose of increasing earnings through investment activities. These pooled investments consist primarily of demand deposits, repurchase agreements, nonnegotiable certificates of deposit and money

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market instruments. Certificates of deposit and money market funds are carried at amortized cost because they are not affected by market rate changes. The individual funds' portions of the pool's fair value are presented as "cash and short-term investments". Earnings on the pooled funds are apportioned and paid or credited to the funds required to accumulate earnings based on their average monthly balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For purposes of the proprietary funds' cash flows statement, cash and short-term investments are defined as investments with original maturities of three months or less.

Receivables and Payables

Outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for trade and property tax receivables for the year ended December 31, 2017 was \$48,608 and \$2,355,166, respectively. The property tax receivable allowance is equal to 3% of outstanding property taxes at December 31, 2017. The trade receivables for the general fund and other governmental funds are considered to be fully collectible. The allowance for uncollectibles for the Refuse Fund and the Health Agency Fund receivables are \$25,000 and \$23,608, respectively, at December 31, 2017.

Accounts receivable for refuse services at December 31, 2017 include unbilled receivables of approximately \$244,000.

Intergovernmental Revenues and Receivables

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met, and in the governmental funds, when the availability criteria has also been met. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

Property Taxes Receivable

In accordance with governing state statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing fiscal year. Taxes are assessed on a calendar year basis, with the related levies and liens on property becoming effective on November 1 in the year of assessment. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amount of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. At December 31, 2017, such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources.

Assessed values are established by the County Appraiser. The assessed value for property located in the County as of November 1, 2016, on which the 2016 tax levy was based, was \$1,596,995,365 on which the 2017 property tax revenues were based. The County's property tax levies per \$1,000 assessed valuation for property tax revenues were as follows:

<u>Fund</u>	<u>Levy (Dollars)</u>
General	\$ 48.289
Special Liability	0.056
	<u>\$ 48.345</u>

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State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Therefore, taxes levied in the current year are recorded as taxes receivable and unavailable revenue at year end, and are recognized as revenue, net of estimated uncollectible and delinquent amounts, in the year for which they are levied. Taxes receivable represent property taxes levied for 2017 and prior years which have not yet been collected and are reflected as a deferred inflow of resources.

Special assessments receivable

As required by Kansas statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds that are secured by the full faith and credit of the County and are retired from the General Fund. Further, Kansas statutes permit levying additional general ad valorem taxes in the General Fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the General Fund. Special assessments taxes are levied and collected over the life of the bonds which is usually twenty years, and the County may foreclose on liens against property benefited by special assessments when delinquent assessments are two years in arrears. In the fund financial statements, the special assessments taxes levied are a lien on the property and are recorded as special assessments receivable with a corresponding amount recorded as unavailable revenue.

Inventory and prepaid items

Inventory is valued at cost using the first-in, first-out (FIFO) method. The inventory is considered expended when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The County has two items that qualify for reporting in this category. It is the deferred amount on refunding and deferred outflows for pensions reported in the government-wide statement of net position. The deferred outflow for pensions is also reported in the enterprise fund. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. See Note 7 for more information on the deferred outflows for pensions.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three types of items, which arises under the accrual and modified accrual basis of accounting that qualify for reporting in this category. The first two items, unavailable revenue, are reported in the governmental activities statement of net position and the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and for which they are levied. The third item, deferred inflows for pensions, is reported on the government-wide statement of net position, as well as reported in the enterprise fund. See Note 7 for more information on the deferred inflows for pensions.

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Capital Assets

Capital assets, which include land, building and improvements, furniture, fixtures and equipment, motor vehicles, tools and equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$1,500 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects when constructed.

The County's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. The estimated useful lives are:

Infrastructure	10 - 50 years
Buildings and improvements	10 - 30 years
Furniture, fixtures and office equipment	5 - 10 years
Motor vehicles	5 years
Tools and other equipment	5 - 10 years

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and sick leave balances. Under the terms of the County's personnel policy, County employees are granted vacation and sick leave in varying amounts. Vacation is earned at the rate of 4 to 8 hours per two-week pay period, depending on the employee's years of service. Sick leave is accumulated at the rate of 4 hours per two-week pay period. The maximum amount of vacation which an employee may carry forward from year to year is 240 hours, and the maximum amount of accrued sick leave for which a retiring employee with 800 or more hours accrued may be compensated is 35% of their sick leave balance. Only retiring employees are compensated for unused sick leave. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERS) and additions to/deductions from KPERS' fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The County's pension plan is more fully described in Note 7.

Long-Term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and deferred charge on refunding, when material, are deferred and amortized over the life of the bonds using a method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed in the period when incurred or at the time of issuance.

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Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Net Position Classifications

In the government-wide and proprietary fund financial statements, equity is shown as net position and classified into three components:

Net investment in capital assets – Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgage notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balances

In the fund financial statements, governmental funds report the following fund balance classifications:

- (1) Non-Spendable – This consists of amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.
- (2) Restricted – This consists of amounts where constraints are placed on the use of those resources which are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- (3) Committed – This consists of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of County Commissioners.
- (4) Assigned – This consists of amounts which are constrained by County management’s intent to be used for a specific purpose but are neither formally restricted by external sources nor committed by Board of County Commissioners action. The Department Heads have the authority to assign amounts for a specific purpose in this category. Likewise, the Department Heads have the authority to take necessary actions to un-assign amounts in this category.
- (5) Unassigned – This consists of the residual fund balance that does not meet the requirements for the non-spendable, restricted, committed, or assigned classifications. A positive unassigned fund balance is only possible in the general fund.

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For programs with multiple revenue sources, the County first uses restricted resources when an expenditure is incurred for purposes for which both restricted and unrestricted net position are available. For purposes of fund balance classification, expenditures are spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Pending Governmental Accounting Standards Board Statements

GASB has issued the following statements which may impact the County's financial reporting requirements in the future:

- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal year beginning on January 1, 2018.
- GASB Statement 83 – *Certain Asset Retirement Obligations*, effective for reporting periods beginning after June 15, 2018.
- GASB Statement 84 – *Fiduciary Activities*, effective for reporting periods beginning after December 15, 2018.
- GASB Statement 85 – *Omnibus 2017*, effective for reporting periods beginning after June 15, 2017.
- GASB Statement 86 – *Certain Debt Extinguishment Issues*, effective for reporting periods beginning after June 15, 2017.
- GASB Statement 87 – *Leases*, effective for reporting periods beginning after December 15, 2019.
- GASB Statement 88 – *Certain Disclosures related to Debt, including Direct Borrowings and Direct Placements*, effective for reporting periods beginning after June 15, 2018.

The County's management has not yet determined the effect, if any, these statements will have on a County's financial statements, although management believes that GASB Statement No. 75 may have a significant impact.

2. Cash and Investments

Applicable state statutes authorize the County to invest in (1) money market accounts or certificates of deposit in commercial banks and trust companies, (2) time certificates of deposit with state or federally chartered savings and loan associations or federally chartered savings banks, (3) repurchase agreements with commercial banks, trust companies, state or federally chartered savings and loan associations or federally chartered savings banks, (4) United States Treasury Bills or Notes, (5) temporary notes, and (6) the municipal investment pool fund (the Pool). The Pool is operated by the State Treasurer, is not an SEC registered pool and is regulated by the Pooled Money Investment Board. Noncurrent cash and short-term investments include \$1,050,734 which is held by a trustee and restricted for capital projects.

Cash and short-term investments consisted of the following at December 31, 2017:

Deposits:	
Demand deposits	\$ 228,843,332
Certificates of deposit -	
Workers compensation	10,000
	<u>228,853,332</u>
Noncurrent investments:	
Money market funds	1,050,734
	<u>1,050,734</u>
	<u>\$ 229,904,066</u>
Government-wide Statement of Net Position - Current	\$ 87,610,646
Government-wide Statement of Net Position - Noncurrent	1,050,734
Agency Funds Statement of Assets and Liabilities	141,242,686
	<u>\$ 229,904,066</u>

SHAWNEE COUNTY, KANSAS
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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard & Poor's and Moody's. The County does not have a formal policy limiting credit quality of investments. The County follows applicable State Statutes that restrict the types of investments the County may utilize. At December 31, 2017, the County's investments consisted of short-term money market funds. The money market funds were invested in direct U.S. Treasury obligations or other U.S. agency securities that were rated AAA by Standard and Poor's at year end.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The County does not have a policy for custodial credit risk. Statutes require that collateral pledged must have a fair value equal to 100% of the deposits, less insured amounts, and they must be assigned for the benefit of the County.

At December 31, 2017, the County's deposits were insured, in part, by the Federal Depository Insurance Corporation. Uninsured deposits and certificates of deposit were fully collateralized by securities held in the County's name by their financial institution's agent. The short-term money market funds are not subject to custodial credit risk. Accordingly, management has determined that none of the County's deposits or investments are exposed to custodial credit risk as of December 31, 2017.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The County does not have a policy for interest rate risk. The County's short-term investments at December 31, 2017 consisted of money market funds with maturities of less than one year.

Concentration of Credit Risk

The County does not have a policy for concentration of credit risk. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds. At December 31, 2017, the County's investments consisted of short-term money market funds. These money market funds are not subject to such risks.

SHAWNEE COUNTY, KANSAS
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3. Capital Assets

A summary of changes in capital assets is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 28,714,624	\$ -	\$ -	\$ 28,714,624
Construction in process	21,998,646	13,376,332	34,718,238	656,740
Total capital assets not being depreciated	<u>50,713,270</u>	<u>13,376,332</u>	<u>34,718,238</u>	<u>29,371,364</u>
Capital assets being depreciated:				
Infrastructure	144,784,826	27,892,047	-	172,676,873
Buildings and improvements	148,491,431	11,378,312	174,193	159,695,550
Furniture, fixtures and office equipment	17,007,963	183,296	261,200	16,930,059
Motor vehicles	12,245,820	1,218,936	668,823	12,795,933
Tools and other equipment	19,627,135	1,346,916	191,565	20,782,486
Total capital assets being depreciated	<u>342,157,175</u>	<u>42,019,507</u>	<u>1,295,781</u>	<u>382,880,901</u>
Less accumulated depreciation for:				
Infrastructure	53,078,985	4,431,176	-	57,510,161
Buildings and improvements	89,673,508	5,230,063	171,420	94,732,151
Furniture, fixtures and office equipment	11,922,829	1,674,430	260,606	13,336,653
Motor vehicles	10,750,231	729,890	634,453	10,845,668
Tools and other equipment	16,959,607	991,437	170,155	17,780,889
Total accumulated depreciation	<u>182,385,160</u>	<u>13,056,996</u>	<u>1,236,634</u>	<u>194,205,522</u>
Total depreciable capital assets, net	<u>159,772,015</u>	<u>\$ 28,962,511</u>	<u>\$ 59,147</u>	<u>188,675,379</u>
Governmental, capital assets net	<u>\$ 210,485,285</u>			<u>\$ 218,046,743</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Capital assets being depreciated:				
Buildings and improvements	\$ 60,367	\$ -	\$ -	\$ 60,367
Furniture, fixtures and office equipment	25,505	-	2,050	23,455
Motor vehicles	7,068,662	718,820	73,764	7,713,718
Tools and other equipment	2,767,456	36,841	-	2,804,297
Total capital assets being depreciated	<u>9,921,990</u>	<u>755,661</u>	<u>75,814</u>	<u>10,601,837</u>
Less accumulated depreciation for:				
Buildings and improvements	29,341	2,068	-	31,409
Furniture, fixtures and office equipment	24,653	276	2,050	22,879
Motor vehicles	5,683,191	857,009	73,763	6,466,437
Tools and other equipment	2,324,803	407,916	-	2,732,719
Total accumulated depreciation	<u>8,061,988</u>	<u>\$ 1,267,269</u>	<u>\$ 75,813</u>	<u>9,253,444</u>
Business-type, capital assets net	<u>\$ 1,860,002</u>			<u>\$ 1,348,393</u>

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Depreciation expense was charged to the various functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 1,679,824
Public safety and judicial	3,504,653
Public works, highways and streets	4,563,692
Health, welfare and education	468,495
Cultural and recreation	2,840,332
Total depreciation expense for governmental activities	<u>\$ 13,056,996</u>

Business-type activities:

Refuse	<u>\$ 1,267,269</u>
Total depreciation expense for business-type activities	<u>\$ 1,267,269</u>

4. Interfund Activity

Interfund transfers for the year ended December 31, 2017 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 1,138,754	\$ 10,311,080
Health Agency Fund	2,151,781	350,000
Sales Tax Fund	-	9,688,835
Nonmajor Funds	18,781,219	1,262,875
	<u>22,071,754</u>	<u>21,612,790</u>
Enterprise Funds:		
Refuse	-	483,529
Internal Service Fund:		
Workers' Compensation Fund	12,935	-
Health Insurance Fund	11,630	-
	<u>\$ 22,096,319</u>	<u>\$ 22,096,319</u>

Transfers are used to move unrestricted general fund and nonmajor governmental fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs; to reimburse the general fund for indirect costs and to move funds designated for employee accrued retirement benefits; fund debt service requirements; and reimbursements for capital outlay. Any transfers between governmental funds have been eliminated in the government-wide statement of activities.

Interfund receivables and payable balances as of December 31, 2017 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 654,789	\$ -
Nonmajor governmental funds		
Motor Vehicle Fund	-	235,411
Special Assessments	-	432,313
Internal Service Funds		
Workers' Compensation Fund	12,935	-
	<u>\$ 667,724</u>	<u>\$ 667,724</u>

Interfund receivables and payables are created as a result of 1) moving revenue and expenditures between funds and 2) allocation of revenue in accordance with County resolutions and state statutes.

SHAWNEE COUNTY, KANSAS
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5. Long-Term Liabilities

The following is a summary of long-term liabilities of the County

	Beginning Balance	Additions	Payments/ Adjustments	Ending Balance	Due in One Year
Governmental activities					
General obligation bonds	\$ 51,400,000	\$ -	\$ 5,785,000	\$ 45,615,000	\$ 5,820,000
Unamortized premiums	2,314,831	-	219,145	2,095,686	-
Loans	6,621,526	2,423,799	27,749	9,017,576	878,492
Certificates of participation	35,610,000	3,455,000	5,875,000	33,190,000	2,685,000
Unamortized premiums	1,543,554	199,521	122,906	1,620,169	-
Unamortized discounts	(74,794)	-	(7,390)	(67,404)	-
Capital lease obligation	669,732	512,032	415,615	766,149	182,031
Compensated absences **	4,368,199	3,113,829	2,950,913	4,531,115	2,441,184
Early retirement incentive **	57,469	-	57,469	-	-
Net OPEB obligation **	2,730,287	398,763	-	3,129,050	-
	<u>\$ 105,240,804</u>	<u>\$ 10,102,944</u>	<u>\$ 15,446,407</u>	<u>\$ 99,897,341</u>	<u>\$ 12,006,707</u>

** For governmental activities, compensated absences, and other post employment benefits are generally liquidated by the the general fund.

Business-type activities

Compensated absences	\$ 358,544	\$ 258,754	\$ 236,880	\$ 380,418	\$ 220,464
Net OPEB obligation	177,784	33,767	-	211,551	-
	<u>\$ 536,328</u>	<u>\$ 292,521</u>	<u>\$ 236,880</u>	<u>\$ 591,969</u>	<u>\$ 220,464</u>

Of the \$45,615,000 general obligation bonds, approximately \$27,800,000 is special assessment debt.

General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities including those used for economic development. General obligation bonds have also been issued to refund general obligation bonds and certain loans of prior issues. General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds generally are issued as 20-year serial bonds, with differing amounts of principal maturing each year.

General obligation bonds currently outstanding are as follows:

General Obligation Bonds	Interest Rates	Maturity	Amount
Series 2009	3.00-4.00%	09/01/29	\$ 195,000
Series 2010	2.25-3.625%	09/01/30	7,105,000
Series 2011	2.50-3.50%	09/01/25	5,470,000
Series 2012	1.00-3.00%	09/01/26	3,680,000
Series 2013	2.25-4.00%	09/01/33	790,000
Series 2015A	2.00-3.00%	09/01/28	4,625,000
Series 2015B	2.00-3.00%	09/01/20	3,380,000
Series 2015C	2.00-3.35%	09/01/35	3,555,000
Series 2016A	1.10-5.00%	09/01/30	12,145,000
Series 2016B	2.00-3.00%	09/01/26	1,825,000
Series 2016D	2.00-2.125%	09/01/29	2,845,000
Total			<u>\$ 45,615,000</u>

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Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies are as follows:

Year	Principal Due	Interest Due	Total Due
2018	\$ 5,820,000	\$ 1,268,858	\$ 7,088,858
2019	5,950,000	1,125,208	7,075,208
2020	5,410,000	990,518	6,400,518
2021	4,775,000	865,338	5,640,338
2022	4,905,000	746,415	5,651,415
2023-2027	15,305,000	1,710,554	17,015,554
2028-2032	3,270,000	193,477	3,463,477
2033-2035	180,000	10,640	190,640
	<u>\$ 45,615,000</u>	<u>\$ 6,911,008</u>	<u>\$ 52,526,008</u>

Refunding

During 2017, the County issued \$3,455,000 Refunding Certificates of Participation Series 2017 to advance refund a portion of 2012 Certificates of Participation.

As a result, the refunded Certificates of Participation are considered defeased and the liability for those obligations have been removed from the long-term debt. This refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$263,847. This amount is reported as a deferred outflow of resources and is amortized over the remaining life of the refunded debt using the straight-line method. The County completed this advance refunding to reduce its debt service payments by \$193,387 and to obtain an economic gain of \$179,510. At December 31, 2017, the defeased debt was still outstanding.

Loans

The County has a loan agreement with the Kansas Department of Health and Environment (KDHE) for the improvements of a sewer treatment plant. During 2016, the County secured a zero interest loan from the Kansas Department of Transportation for \$8,500,000 for the replacement of the Carlson Road Bridge over the Kansas River. This loan was funded as construction costs were incurred. It will be repaid with annual payments equal to \$850,000 per year commencing in March 2018 until repaid. These payments will be paid from the JEDO sales tax that began in 2017.

Purpose	Interest Rates	Maturity	Amount
Loan for Sherwood Pumping improvements	2.66%	03/01/32	\$ 517,576
Loan for Carlson Road Bridge	0.00%	03/15/27	8,500,000
Total			<u>\$ 9,017,576</u>

Annual estimated debt service requirements to maturity based on the outstanding balance of KDHE and KDOT Loans at December 31, 2017 are as follows:

Year	Principal Due	Interest Due	Total Due
2018	\$ 878,492	\$ 13,579	\$ 892,071
2019	879,255	12,816	892,071
2020	880,038	12,033	892,071
2021	880,843	11,229	892,072
2022	881,669	10,403	892,072
2023-2027	4,421,526	38,831	4,460,357
2028-2032	195,753	14,603	210,356
	<u>\$ 9,017,576</u>	<u>\$ 113,494</u>	<u>\$ 9,131,070</u>

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Certificates of Participation

The 2012 certificates were issued to fund the First Responders Project, acquisition of property and the Expocentre Safety Rigging Project. The County issued certificates of participation in 2014 to refund portions of the Series 2007A and Series 2007C certificates of participation. The 2015 certificates were issued to fund improvements for corrections facilities, parks and recreations facilities and County infrastructure. The County issued certificates of participation in 2017 to refund portions of the Series 2012 certificates of participation.

Certificates of participation currently outstanding are as follows:

Certificates of Participation	Interest Rates	Maturity	Amount
Certificates of Participation Series 2012	2.00-3.12%	09/01/27	\$ 6,980,000
Certificates of Participation Series 2014 A	3.00%	09/01/22	1,685,000
Certificates of Participation Series 2014 B	2.00-3.00%	09/01/23	5,150,000
Certificates of Participation Series 2015	2.00-5.00%	09/01/35	15,920,000
Certificates of Participation Series 2017	1.10-3.00%	09/01/26	3,455,000
Total			<u>\$ 33,190,000</u>

Annual estimated debt service requirements to maturity based on the outstanding balance of Certificates of Participation at December 31, 2017 are as follows:

Year	Principal Due	Interest Due	Total Due
2018	\$ 2,685,000	\$ 1,077,582	\$ 3,762,582
2019	2,745,000	1,017,319	3,762,319
2020	2,830,000	937,969	3,767,969
2021	2,920,000	993,769	3,913,769
2022	2,990,000	904,244	3,894,244
2023-2027	10,625,000	2,719,351	13,344,351
2028-2032	4,930,000	1,234,837	6,164,837
2033-2035	3,465,000	243,956	3,708,956
	<u>\$ 33,190,000</u>	<u>\$ 9,129,027</u>	<u>\$ 42,319,027</u>

Capital Lease

The County has entered into capital lease agreements for computer equipment and software. The gross amount of capital assets under the capital leases were \$2,453,903. Amortization of capital assets acquired under capital leases is included with depreciation expense in the government wide financial statements. The future minimum lease payments are as follows:

2018	\$ 213,133
2019	260,530
2020	207,555
2021	128,999
2022	<u>91,392</u>
	901,609
Less amounts representing interest	<u>(135,460)</u>
Present value of minimum lease payments	<u>\$ 766,149</u>

Capitalized lease assets as of December 31, 2017 are as follows:

Equipment	\$ 2,453,903
Accumulated Depreciation	<u>(1,361,542)</u>
Total	<u>\$ 1,092,361</u>

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Bond Indebtedness

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the County to not more than 3% of the assessed value as adjusted by Kansas statute of all tangible property within such county, as certified to the County Clerk on the preceding August 25. For purposes of calculating the legal debt margin of the County, the following types of bonds are excluded from the total indebtedness of the County: (a) bonds issued for the purpose of refunding outstanding debt including bonds and matured coupons thereof, or judgments thereon; and (b) bonds issued to finance the purchase of land and certain improvements, and furnishing and equipping of the Shawnee County jail.

At December 31, 2017, based on the assessed valuation of \$1,818,903,533, the general obligation limit was \$54,567,106. After reduction for outstanding eligible general obligation bonds and notes, the County's net bonded indebtedness totaled \$1,787,750 providing a general obligation debt margin of \$52,779,356.

Defeased Debt

In prior years and in the current year, the County defeased certain general obligation bonds and certificates of participation by placing the proceeds for new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2017, \$15,795,000 of general obligation bonds and certificates of participation outstanding was considered defeased.

Conduit Debt

The County has issued industrial revenue bonds to finance the purchase of land and construction facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The bonds and related interest are payable solely from lessee rentals and do not constitute general liabilities of the County.

The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the lease annually at nominal amounts. Industrial revenue bonds at December 31, 2017 totaled approximately \$283 million.

The County has issued single family mortgage revenue bonds to finance the mortgage loans of first-time homeowners meeting certain income and purchase price requirements. The bonds are payable solely from the homeowner and do not constitute general liabilities of the County. Single family mortgage revenue bonds outstanding at December 31, 2017 totaled \$480,804.

6. Joint Economic Development Organization (JEDO)

The County and the City of Topeka, Kansas (the City) entered into an interlocal agreement in November 2001 to create JEDO, a separate legal entity governed by a seven member board consisting of three County Commissioners, the City Mayor, Deputy Mayor and two City Council members. On August 3, 2004, County voters passed a one-half percent sales tax to finance economic development and countywide infrastructure development. In connection with the passage of the countywide sales tax, the County and City entered into a new interlocal agreement which rescinded the 2001 agreement. The sales tax went into effect January 1, 2005 and expired on December 31, 2016. Under the agreement, upon the later of the expiration or termination of the sales tax and the completion of and payment for the projects listed in the ballot, JEDO shall inform the City and County of any funds remaining, if any, and unless otherwise agreed to by the City and County, these excess funds, less any economic development or county bridge commitments, shall be distributed to the City and County in the proportional rates as provided by Kansas law at the time of the excess funds determination. The excess funds were distributed

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to the City and County in July 2017. The County's portion of the excess funds was \$8,372,168 and has been recorded as other revenue in the Sales Tax Fund. These excess funds were used to help fund the replacement of the bridge over the Kansas River on Carlson Road, often referred to as the Willard Bridge.

On April 19, 2016, the City of Topeka and Shawnee County entered into a new interlocal agreement related to the renewal of the countywide one-half percent sales tax commencing January 1, 2017 and set to expire on December 31, 2031. From the proceeds of the countywide one-half percent sales taxes, the agreement calls for JEDO to dedicate \$5,000,000 annually for the purpose of supporting economic development priorities as established by the JEDO Board. After the initial \$5,000,000 has been reserved, JEDO funds will be distributed to the County and City to complete the improvements and projects as set forth on the November 4, 2014 ballot. The distributions will be at 52% and 48% to the County and City, respectively.

For the year ended December 31, 2017, the County's sales tax revenue totaled \$7,661,646. At December 31, 2017, the County was due \$1,399,140 from the State of Kansas and \$487,505 from JEDO, which is reported as due from other governments in the Sales Tax Fund. At December 31, 2017, the County owed GO Topeka \$250,665 for economic development from the 2017 sales tax, which is reported as Due to other governments.

For the year ended December 31, 2017, the County used their portion of this sales tax for economic development through GO Topeka; transferred funds to the County Bridge Project Fund, a nonmajor capital project fund, for capital bridge projects; and expenditures for the renovation of the ExpoCentre in accordance with the interlocal agreement.

The audited financial statements of JEDO can be obtained from the City of Topeka, City Clerk's office, or the Shawnee County Clerk's office.

7. Employees' Retirement System

Plan Descriptions - Shawnee County participates in the Kansas Public Employees Retirement System (KPERS) a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits to the following statewide pension groups under one plan, as provided by K.S.A. 774, article 49:

- Public Employees
 - State/School employees
 - Local employees
- Police and Firemen (KP&F)
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once selected.

KPERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Suite 100, Topeka, KS 66603-3803), by calling 1-888-275-5737 or by visiting the KPERS website at www.kpers.org.

Benefits Provided – KPERS provides benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the General Assembly. Member employees (except police and fireman) with ten or more years of credited service, may retire as early as age 55 (police and fireman may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 (police and fireman's normal retirement ages are age 60 with 15 years of credited service, age 66 with 20 years, age 60 with 25 years, or any age with 36 years of service).

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Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership. The accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current member employees and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2016, was created. Normal retirement age for KPERS 3 is 65 with five years of service or 30 years with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions – K.S.A. 74-4919 and K.S.A. 74-4920 establish the KPERS member-employee contributions rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2016. Effective January 1, 2016, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. KPERS is funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.88% for KPERS and 23.77% for KP&F for the fiscal year ended December 31, 2017. Contributions to the pension plan from the County were \$3,525,475 for KPERS and \$1,251,641 for KP&F for the year ended December 31, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Although KPERS administers one cost sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of recourse, and pension expense are determined separately for each group of the plan. The county participates in the local (KPERS) group and the Police and Firemen (KP&F) group.

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At December 31, 2017, the County reported a liability of \$32,646,784 for KPERS and \$11,907,835 for KP&F for its proportionate share of the KPERS' collective net pension liability. This net pension liability is generally liquidated by the General Fund. The collective net pension liability was measured by KPERS as of June 30, 2017, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The County's proportion of the collective net pension liability was based on the ratio of the County's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the KPERS and KP&F for the fiscal year ended June 30, 2017. The contributions used exclude contributions made for prior service, excess benefits and irregular payments.

At June 30, 2017, the County's proportion and change from its proportion measured as of June 30, 2016 were as follows:

	Net pension liability as of December 31, 2017	Proportion as of June 30, 2017	Change in proportion from June 30, 2016
KPERS (local)	\$ 32,646,784	2.254%	0.004%
KP&F	11,907,835	1.270%	0.103%
	<u>\$ 44,554,619</u>		

For the year ended December 31, 2017, the County recognized pension expense of \$2,881,998 for KPERS and \$1,704,090 for KP&F. At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 733,538	\$ 1,217,934
Net difference between projected and actual earnings on pension plan investments	1,465,206	-
Changes in proportionate share	707,580	1,533,962
Changes in assumptions	2,589,668	291,941
County contributions subsequent to measurement date	<u>2,567,009</u>	<u>-</u>
Total	<u>\$ 8,063,001</u>	<u>\$ 3,043,837</u>

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The \$2,567,009 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as pension expense for the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as increases (decreases) to pension expense as follows:

Year ended December 31,	KPERs Deferred (Inflow)/Outflow of Resources
2018	\$ (157,614)
2019	1,588,772
2020	1,019,804
2021	(253,056)
2022	254,249
Total	\$ 2,452,155

Deferred outflows and inflows of resources related to the difference between expected and accrual plan experience, changes in proportionate share and changes in assumptions are being amortized over a closed period equal to the average of the expected service lives of all employees at the beginning of each measurement period. Deferred outflows of resources related to the difference between projected and actual earnings on pension plan investments is being amortized over a close five-year period.

Actuarial assumptions. The total pension liability for KPERs was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry age normal
Inflation	2.75 percent
Salary increase	3.5 to 12.00 percent, including price inflation
Investment rate of return	7.75 percent compounded annually, net of investment expense, and including inflation

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study conducted for the period January 1, 2013 through December 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated November 18, 2016, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	2.00%	-0.25%
Total	100.00%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate was based on member and employers contributions as outlined below.

In KPERS, the Local employer does not necessarily contribute the full actuarial determined rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap for Fiscal Year 2017 was 1.2 percent.

In recent years, the Legislature has made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group.

Based on employer contribution history, it is a reasonable estimate that the State/School group contribution rate may not be certified at the statutory rate. It has been assumed that contribution rates will be made within the same range as have been seen in the past few years. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the County's proportionate share of the collective net pension liability to changes in the discount rate. The following table presents the County's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the County's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's KPERS proportionate share of the net pension liability	\$ 47,018,505	\$ 32,646,784	\$ 20,531,987
County's KP&F proportionate share of the net pension liability	16,892,981	11,907,835	7,734,558
	<u>\$ 63,911,486</u>	<u>\$ 44,554,619</u>	<u>\$ 28,266,545</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas Avenue, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

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8. Other Postemployment Healthcare Benefits

Plan Description

The County offers postemployment health and dental insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the County. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The health insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. The benefit is available for selection at retirement. Eligibility is based on the retirement provisions of the Kansas Public Employees Retirement System for civilian employees and the Kansas Police and Firefighters Retirement System for police and firefighters. Spouses may continue benefits for up to 36 months after a retiree's death. The plan does not issue a stand-alone financial report.

The County required retirees to pay 120% of the premiums charged to active participants. The rates being paid by retirees for benefits are typically lower than those if they had been rated as a separate group. The difference between these amounts is the implicit rate subsidy, which is considered other postemployment benefits (OPEB) under Governmental Accounting Standards Board Statement No. 45 (GASB Statement 45).

Funding Policy

GASB Statement 45 does not require funding of the OPEB liability, and the County has chosen not to fund it. County policy dictates the payment of retiree claims as they become due.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize the unfunded actuarial liability over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	2017
Annual required contribution	\$ 706,592
Interest on net OPEB obligation	87,242
Adjustment to annual required contribution	<u>(99,844)</u>
Annual OPEB cost (expense)	693,990
Less: Net employer contributions	<u>261,460</u>
Increase in net OPEB obligation	432,530
Net OPEB obligation - January 1, 2017	<u>2,908,071</u>
Net OPEB obligation - December 31, 2017	<u><u>\$ 3,340,601</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the preceding fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	553,985	78%	2,454,207
12/31/2016	695,957	35%	2,908,071
12/31/2017	693,990	38%	3,340,601

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Funded Status and Funding Progress

As of January 1, 2016, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$6,519,468, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,519,468. The covered payroll (annual payroll of active employees covered by the plan) was \$38.8 million, and the ratio of the UAAL to the covered payroll was 16.8 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.0 percent discount rate. Other key assumptions include an inflation rate of 3.0 percent and payroll increases of 3.0 percent annually. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2017, was thirty years.

9. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disaster; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than those related to employee health benefits and workers' compensation claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

Self-Insurance Funds - The County has established internal service funds for self-insured workers' compensation and health and dental insurance. The workers' compensation program began in December 1986 and the health and dental insurance program began in January 1998 for all County employees. Funds are accumulated for payment of claims and insurance premiums through charges to the County funds. Currently, the County is funding the Workers' Compensation Reserve Fund with annual contributions from other funds based on an analysis of funding requirements for the reserve based on historical costs and expected future claims. The Health Insurance Administration Fund is funded with contributions made during each payroll period from the employer and the employees. The rates are based on past historical costs for individual and family coverage and expected future claims. Each plan is administered by a third party, which accumulates claims. The County has purchased a specific excess insurance policy that covers all individual workers' compensation claims in excess of \$500,000 per occurrence. The State of Kansas places statutory limits on benefits for death resulting from injury to \$300,000, and maximum benefits resulting in permanent total disability and temporary disability to

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017

\$155,000 and \$130,000, respectively, per claim and with an unlimited amount for medical expenses. The County has purchased an excess insurance policy for health insurance with a \$200,000 stop loss limit per individual and a 115 percent stop loss limit in aggregate health insurance. The annual maximum amount for dental insurance the County is responsible for is \$1,500 per individual. Any expenses incurred above the maximums were reimbursed by the insurance companies.

General Liability - The County is also self-insured for general liability claims. All liability claims are reviewed and challenged if appropriate, by the County Councilor's office. Kansas statutes limit the liability in tort cases to \$500,000. Claims paid during 2017 totaled \$47,580.

The changes in health and dental insurance, workers' compensation and general liability claims payable for the years ended December 31, 2017 and 2016 are as follows:

	<u>Health and Dental</u>	<u>Workers' Compensation</u>	<u>General Liability</u>
Claims payable, December 31, 2015	\$ 814,543	\$ 1,783,151	\$ -
Claims and changes in estimates	7,787,014	1,344,918	-
Claim payments	<u>(7,823,646)</u>	<u>(1,307,802)</u>	<u>-</u>
Claims payable, December 31, 2016	777,911	1,820,267	-
Claims and changes in estimates	8,521,419	1,583,757	47,580
Claim payments	<u>(8,387,248)</u>	<u>(1,211,035)</u>	<u>(47,580)</u>
Claims payable, December 31, 2017	<u>\$ 912,082</u>	<u>\$ 2,192,989</u>	<u>\$ -</u>

10. Commitments and Contingencies

Leases

The County rents various equipment and software licensing under operating leases. Rent expenditures for the year ended December 31, 2017 were \$586,632. As of December 31, 2017, minimum future payments required under these agreements for subsequent fiscal years are as follows:

2018	\$ 536,126
2019	178,876
2020	151,152
	<u>\$ 866,154</u>

Federal Assistance

The County and its related entities have received significant financial assistance from various federal agencies in the form of grants and entitlements. Under the Single Audit Act, the purpose of which is to ensure compliance with terms and conditions specified in grant or other agreements, these programs are subject to audit by agents of the granting authority, and/or by independent public accountants. Management does not believe that liabilities for reimbursements, if any, will have a materially adverse effect upon the financial condition of the County.

**SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2017**

Litigation

There are a number of claims and/or lawsuits to which the County is a party as a result of certain law enforcement activities, appraisals, injuries and various other matters and complaints arising in the ordinary course of County activities. The County management and legal counsel anticipate that other potential claims against the County including total disability and appraisal claims not covered by insurance, if any, resulting from such matters, would not materially affect the financial position of the County.

Encumbrances

Outstanding encumbrances at December 31, 2017 were as follows: General Fund \$698,052 and other governmental funds \$1,847,968.

11. Early Retirement Incentive Programs (ERIP)

In August 2012, the County offered a voluntary early retirement program whereby single health insurance premiums, health insurance administration fees and dental administration fees will be paid by the County for a period of 60 months or until the retiring employee reaches the age of 65, whichever occurs first. The employees would also receive a payout of 45% of accumulated sick leave or a guaranteed minimum of \$8,000, vacation pay and compensatory time. The County had 22 employees approved for the program.

The total amounts paid in 2017 related to the early retirement incentive programs was \$57,469 with no future obligation.

12. Health Clinic Operations

The Shawnee County Community Health Center was closed on June 30, 2016. The operations of this Federally Qualified Health Clinic was assumed by GraceMed Health Clinic, Inc. on July 1, 2016. In 2015, the County notified the Health Resources and Services Administration (HRSA) of their intent to relinquish the Health Center's federal grant funds and enable another entity to assume operations of the health center. The local health department remains in the Health Agency Fund.

The County is committed to tax allocation payments to GraceMed for the next 5 calendar years, offset by \$375,000 annual payments due from GraceMed to the County for transfer of real property. The County has retained the health clinic on the statement of net position as a capital asset, until title for the clinic is transferred to GraceMed at the conclusion of the payment period in 2021. The County made tax allocation payments to GraceMed totaling \$1,289,000 during 2017. As of December 31, 2017, the net payment amounts owed from the County to GraceMed are as follows:

2018	\$	889,000
2019		489,000
2020		89,000
2021		200,000
	<u>\$</u>	<u>1,667,000</u>

13. Tax Abatements

Shawnee County enters into property tax abatement agreements with local businesses for the purpose of economic development within the County. These agreements are issued under Section 13 of Article 11 of the Kansas Constitution, which specifies that the property for which the exemption is granted will be used for manufacturing articles of commerce, conducting research and development or storing goods or commodities which are sold or traded in interstate commerce. The exemption may be granted for a maximum of ten years. The County's Statement of Policy and Procedure for Tax Exemptions and

SHAWNEE COUNTY, KANSAS
NOTES TO BASIC FINANCIAL STATEMENTS
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Incentives for Economic Development, Shawnee County Home Rule Resolution No. HR-2002-9, governs the issuance of tax exemptions with the County and dictates the procedures as follows: 1. The applicant shall apply for a tax exemption by filing a written application, 2. The County shall determine whether the requested tax exemption may be lawfully granted and should be granted, 3. The amount of the tax incentive will then be determined in accordance with the policy. The amount of County taxes abated during 2017 was \$2,438,635.

The City of Topeka has established a Neighborhood Revitalization Program (NRP) which provides tax rebates to property owners making improvements that raise the appraised value of residential property and commercial property by 10% and 20% respectively. The program is intended to promote the revitalization of the City's intensive care, at-risk neighborhoods, historic properties and downtown by creating an incentive for the rehabilitation, conservation and redevelopment of these areas. A property tax rebate may be given based on the incremental increase in appraised value resulting from improvements made to a property in the targeted areas. These rebates are for a period of 10 years. The NRPs are authorized under City policy and Kansas Statute K.S.A. 12-117. The rebates are paid after the property taxes have been received. Therefore, no provision is necessary for recapturing taxes. The County's share of the rebates in 2017 was \$976,915.

14. Subsequent Events

In November 2017, the Shawnee County Board of County Commissioners created the Shawnee County, Kansas Public Building Commission (PBC) to provide the Board with another option in financing the County's capital improvements. The Governing Body of the PBC is the three members of the Board of County Commissioners and will be reported as a blended component unit within the County's financial statements. In March 2018, the PBC sold Bonds in the amount of \$29,925,000 to finance improvements to the County's facilities known as the Kansas Expocentre. Under the JEDO agreement with the City of Topeka, sales tax revenues have been allocated to pay the debt service on the bonds.

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund
For the Year Ended December 31, 2017

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
Revenues:			
Taxes			
Property	\$ 76,798,133	\$ 75,749,325	\$ (1,048,808)
Motor vehicle	9,682,000	9,999,963	317,963
Franchise	500,000	410,704	(89,296)
Intergovernmental	4,246,500	4,142,451	(104,049)
Charges for services	3,245,676	2,518,676	(727,000)
License, fines, fees and permits	2,492,353	2,924,432	432,079
Interest income	400,000	1,336,755	936,755
Special assessments	3,275,470	3,842,511	567,041
Other	2,010,811	2,371,622	360,811
Total revenues	<u>102,650,943</u>	<u>103,296,439</u>	<u>645,496</u>
Expenditures:			
Current:			
General government	11,745,505	11,485,254	260,251
Public safety and judicial	46,569,769	45,650,026	919,743
Public works, highways and streets	6,656,679	6,459,705	196,974
Health, welfare and education	6,821,610	6,773,704	47,906
Culture and recreation	14,952,077	14,438,537	513,540
Debt service:			
Principal retirement	7,660,000	7,766,388	(106,388)
Interest and fiscal charges	2,268,522	2,509,509	(240,987)
Total expenditures	<u>96,674,162</u>	<u>95,083,123</u>	<u>1,591,039</u>
Excess of revenues over (under) expenditures	<u>5,976,781</u>	<u>8,213,316</u>	<u>2,236,535</u>
Other financing sources (uses):			
Transfers in	1,150,000	1,032,463	(117,537)
Transfers (out)	<u>(7,126,781)</u>	<u>(10,769,235)</u>	<u>(3,642,454)</u>
Total other financing sources (uses)	<u>(5,976,781)</u>	<u>(9,736,772)</u>	<u>(3,759,991)</u>
Net change in fund balances	<u>\$ -</u>	<u>(1,523,456)</u>	<u>\$ (1,523,456)</u>
Fund balance - beginning of year		<u>33,655,441</u>	
Fund balance - end of year - budget basis		32,131,985	
Adjustments:			
Encumbrances		698,051	
Fund balance - end of year - GAAP basis		<u>\$ 32,830,036</u>	
Net change in fund balance - budget basis		\$ (1,523,456)	
Adjustments:			
Encumbrances - beginning of year		(1,695,911)	
Encumbrances - end of year		698,051	
Net change in fund balance - GAAP basis		<u>\$ (2,521,316)</u>	

Shawnee County, Kansas
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - Health Department
For the Year Ended December 31, 2017

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 2,979,853	\$ 2,636,796	\$ (343,057)
Charges for services	805,421	724,545	(80,876)
Other	-	5,878	5,878
Total revenues	<u>3,785,274</u>	<u>3,367,219</u>	<u>(418,055)</u>
Expenditures:			
Current:			
Health, welfare and education	5,813,065	6,207,672	(394,607)
Total expenditures	<u>5,813,065</u>	<u>6,207,672</u>	<u>(394,607)</u>
Excess of revenues over (under) expenditures	<u>(2,027,791)</u>	<u>(2,840,453)</u>	<u>(812,662)</u>
Other financing sources (uses):			
Transfers in	2,151,781	2,151,781	-
Transfers (out)	<u>(350,000)</u>	<u>(350,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,801,781</u>	<u>1,801,781</u>	<u>-</u>
Net change in fund balances	<u><u>\$ (226,010)</u></u>	<u>(1,038,672)</u>	<u><u>\$ (812,662)</u></u>
Fund balance - beginning of year		<u>3,145,932</u>	
Fund balance - end of year - budget basis		2,107,260	
Adjustments:			
Encumbrances		636,452	
Fund balance - end of year - GAAP basis		<u><u>\$ 2,743,712</u></u>	
Net change in fund balance - budget basis		\$ (1,038,672)	
Adjustments:			
Encumbrances - beginning of year		(44,430)	
Encumbrances - end of year		636,452	
Net change in fund balance - GAAP basis		<u><u>\$ (446,650)</u></u>	

SHAWNEE COUNTY, KANSAS
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
DECEMBER 31, 2017

1. Budgetary data

The County Commission adopted annual operating budgets for the General Fund and the Health Agency Fund. Other funds, including the Sales Tax Fund, were not budgeted as these funds are not required by Kansas Statute to have an adopted budget. The County's budget is adopted using the cash basis of accounting. Revisions to the budget can be made by the Commission. Legally, expenditures may not exceed the total amount of budgeted expenditures, as revised, in each fund. All annual appropriations lapse at year-end if not encumbered.

The County follows these procedures in establishing the budgetary data reflected in the financial statements, beginning in the prior year.

1. In early April, budget request worksheets are sent to each department.
2. By mid-June, departmental budget requests for the next year must be submitted to the Audit Finance Department for review and compilation.
3. During July, budget hearings are held between the County Commission and each department to discuss the department's budget request.
4. In early August, a public hearing is held to receive public input on the budget for the next year.
5. During August, the County Commission will have budget discussions during the regularly scheduled Commission meeting.
6. By Kansas Statute, the Board of County Commissioners must adopt a budget for the following year by August 25th.

SHAWNEE COUNTY, KANSAS
Required Supplementary Information
December 31, 2017

Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System

	2017	2016	2015	2014	2013
County's proportion of the collective net pension liability:					
KPERS (local group)	2.254%	2.250%	2.294%	2.343%	2.399%
KP&F (police & fireman)	1.270%	1.167%	1.218%	1.289%	1.285%
County's proportionate share of the collective net pension liability	\$ 44,554,619	\$ 45,642,895	\$ 38,958,237	\$ 37,297,921	\$ 46,964,254
County's covered-employee payroll (A)	\$ 48,548,945	\$ 44,286,270	\$ 43,019,027	\$ 43,900,404	\$ 43,744,125
County's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	91.77%	103.06%	90.56%	84.96%	107.36%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	65.10%	64.95%	66.60%	59.94%

GASB 68 requires presentation of ten years. As of December 31, 2017, only five years of information is available.

(A) Covered payroll is measured as of the measurement date ending June 30.

Schedule of County's Contributions
Kansas Public Employees Retirement System

Contractually required contribution	\$ 4,777,116	\$ 4,757,766	\$ 5,097,307	\$ 4,589,518	\$ 4,169,453
Contributions in relation to the contractually required contribution	\$ 4,777,116	\$ 4,757,766	\$ 5,097,307	\$ 4,589,518	\$ 4,169,453
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll (B)	\$ 48,644,276	\$ 45,351,794	\$ 43,514,314	\$ 42,924,106	\$ 44,190,470
Contributions as a percentage of covered-employee payroll	9.82%	10.49%	11.71%	10.69%	9.44%

GASB 68 requires presentation of ten years. As of December 31, 2017, only five years of information is available.

(B) Covered payroll is measured as of the fiscal year end December 31.

Changes in benefit terms for KPERS. In the state fiscal year 2014, the KP&F group had a change in benefit terms. The Legislature increased this group's employee contributions to 7.15 percent and eliminated the reduction of employee contributions to 2.0 percent after 32 years of service. In addition, the maximum retirement benefit increased to 90 percent of final average salary (reached at 36 years of service). Before this change the maximum retirement benefit was limited to 80 percent of final average salary (reached at 32 years of service).

Effective January 1, 2014, KPERS 1 member's employee contribution rate increased to 5.0 percent and then on January 1, 2015, increased to 6.0 percent, with an increase in benefit multiplier to 1.85 percent for future years of service. For KPERS 2 members retiring after July 1, 2012, the cost of living adjustment (COLA) is eliminated, but members will receive a 1.85 percent multiplier for all years of service.

January 1, 2015, the KPERS 3 cash balance plan became effective. Members enrolled in this plan are ones first employed in a KPERS covered position on or after January 1, 2015, or KPERS 1 or KPERS 2 members who left employment before vesting and returned to employment on or after January 1, 2015. The retirement benefit is an annuity based on the account balance at retirement.

SHAWNEE COUNTY, KANSAS
Required Supplementary Information
Schedule of Funding Progress
December 31, 2017

Other Post Employment Benefits

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b) - (a) Unfunded AAL (UAAL)	(a)/(b) Funded Ratio	(c) Annual Covered Payroll	(b)-(a)/(c) UAAL as a Percentage of Covered Payroll
12/31/12	\$ -	\$ 7,549,789	\$ 7,549,789	0.00%	\$ 47,600,000	15.9%
12/31/14	-	5,788,211	5,788,211	0.00%	46,300,000	12.5%
1/1/16	-	6,519,468	6,519,468	0.00%	38,812,727	16.8%

Shawnee County, Kansas
Combining Balance Sheet - General Fund
December 31, 2017

	General Fund	Special Parks & Rec	Employee Retirement	Westlawn	Total General Fund
Assets					
Cash and short-term investments	\$ 35,058,505	\$ 568,814	\$ 3,639,753	\$ 78,987	\$ 39,346,059
Taxes receivable, net	75,647,533	-	-	-	75,647,533
Accounts receivable, net	427,594	-	-	-	427,594
Interest receivable	194,563	-	-	-	194,563
Due from other funds	654,789	-	-	-	654,789
Prepays	175,946	-	-	-	175,946
Special assessments receivable, net	29,426,899	-	-	-	29,426,899
Total assets	<u>\$ 141,585,829</u>	<u>\$ 568,814</u>	<u>\$ 3,639,753</u>	<u>\$ 78,987</u>	<u>\$ 145,873,383</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	\$ 2,498,814	\$ 25,156	\$ -	\$ 3,383	\$ 2,527,353
Accrued expenditures	1,444,128	10,305	-	310	1,454,743
Total liabilities	<u>3,942,942</u>	<u>35,461</u>	<u>-</u>	<u>3,693</u>	<u>3,982,096</u>
Deferred Inflows of resources:					
Unavailable revenue - property taxes	75,385,952	-	-	-	75,385,952
Unavailable revenue - special assessments	29,426,899	-	-	-	29,426,899
Total deferred inflows of resources	<u>104,812,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,812,851</u>
Fund balances					
Nonspendable:					
Prepaid Items	175,946	-	-	-	175,946
Assigned:					
General government	-	-	3,639,753	-	3,639,753
Health, welfare and education	5,474	-	-	-	5,474
Culture and recreation	-	533,353	-	-	533,353
Other purposes	-	-	-	75,294	75,294
Unassigned:	32,648,616	-	-	-	32,648,616
	<u>32,830,036</u>	<u>533,353</u>	<u>3,639,753</u>	<u>75,294</u>	<u>37,078,436</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 141,585,829</u>	<u>\$ 568,814</u>	<u>\$ 3,639,753</u>	<u>\$ 78,987</u>	<u>\$ 145,873,383</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the Year Ended December 31, 2017

	General Fund	Special Parks & Rec	Employee Retirement	Westlawn Cemetery	Eliminations	Total General Fund
Revenues:						
Taxes						
Property	\$ 75,749,325	\$ -	\$ -	\$ -	\$ -	\$ 75,749,325
Motor vehicle	9,999,963	-	-	-	-	9,999,963
Franchise	410,704	-	-	-	-	410,704
Intergovernmental	4,142,451	-	-	-	-	4,142,451
Charges for services	2,518,676	1,919,414	-	40,925	-	4,479,015
License, fines, fees and permits	2,924,432	-	-	-	-	2,924,432
Interest income	1,336,755	-	-	-	-	1,336,755
Special assessments	3,842,511	-	-	-	-	3,842,511
Other	2,371,622	10,236	-	11,284	-	2,393,142
Total revenues	<u>103,296,439</u>	<u>1,929,650</u>	<u>-</u>	<u>52,209</u>	<u>-</u>	<u>105,278,298</u>
Expenditures:						
Current:						
General government	11,594,314	-	315,720	68,963	-	11,978,997
Public safety and judicial	46,551,514	-	-	-	-	46,551,514
Public works, highways and streets	6,457,159	-	-	-	-	6,457,159
Health, welfare and education	6,773,036	-	-	-	-	6,773,036
Culture and recreation	14,429,203	1,622,257	-	-	-	16,051,460
Debt service:						
Principal retirement	7,766,388	-	-	-	-	7,766,388
Interest and fiscal charges	2,509,509	-	-	-	-	2,509,509
Total expenditures	<u>96,081,123</u>	<u>1,622,257</u>	<u>315,720</u>	<u>68,963</u>	<u>-</u>	<u>98,088,063</u>
Excess of revenues over (under) expenditures	<u>7,215,316</u>	<u>307,393</u>	<u>(315,720)</u>	<u>(16,754)</u>	<u>-</u>	<u>7,190,235</u>
Other financing sources (uses):						
Transfers in	1,032,603	-	564,306	-	(458,155)	1,138,754
Transfers (out)	<u>(10,769,235)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>458,155</u>	<u>(10,311,080)</u>
Total other financing sources (uses)	<u>(9,736,632)</u>	<u>-</u>	<u>564,306</u>	<u>-</u>	<u>-</u>	<u>(9,172,326)</u>
Net change in fund balances	<u>(2,521,316)</u>	<u>307,393</u>	<u>248,586</u>	<u>(16,754)</u>	<u>-</u>	<u>(1,982,091)</u>
Fund balances - beginning of year	<u>35,351,352</u>	<u>225,960</u>	<u>3,391,167</u>	<u>92,048</u>	<u>-</u>	<u>39,060,527</u>
Fund balances - end of year	<u>\$ 32,830,036</u>	<u>\$ 533,353</u>	<u>\$ 3,639,753</u>	<u>\$ 75,294</u>	<u>\$ -</u>	<u>\$ 37,078,436</u>

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2017

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Assets			
Cash and short-term investments	\$ 11,890,679	\$ 14,448,901	\$ 26,339,580
Taxes receivable, net	132,765	-	132,765
Accounts receivable, net	3,084	1,274	4,358
Interest receivable	-	-	-
Due from other governments	300,488	839,274	1,139,762
Due from other funds	-	-	-
Prepays	55,295	-	55,295
Total assets	<u>\$ 12,382,311</u>	<u>\$ 15,289,449</u>	<u>\$ 27,671,760</u>
Liabilities, deferred inflows of resources and fund balances			
Liabilities:			
Accounts payable	\$ 203,076	\$ 910,244	\$ 1,113,320
Accrued expenditures	88,917	-	88,917
Due to other funds	235,411	432,313	667,724
Total liabilities	<u>527,404</u>	<u>1,342,557</u>	<u>1,869,961</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	132,344	-	132,344
Unavailable revenue - grants	91,223	-	91,223
Total deferred inflows of resources	<u>223,567</u>	<u>-</u>	<u>223,567</u>
Fund balances			
Nonspendable:			
Prepaid Items	55,295	-	55,295
Restricted:			
Public safety and judicial	3,243,867	-	3,243,867
Public works, highways and streets	5,292,405	-	5,292,405
Health, welfare and education	65,718	-	65,718
Culture and recreation	253,447	-	253,447
Capital projects	-	657,425	657,425
Other purposes	1,205,352	-	1,205,352
Committed:			
Public safety and judicial	354,339	-	354,339
Culture and recreation	59,069	-	59,069
Assigned:			
Public safety and judicial	644,708	-	644,708
Public works, highways and streets	11,568	-	11,568
Health, welfare and education	4,320	-	4,320
Culture and recreation	441,252	-	441,252
Capital projects	-	13,721,780	13,721,780
Unassigned:	-	(432,313)	(432,313)
	<u>11,631,340</u>	<u>13,946,892</u>	<u>25,578,232</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,382,311</u>	<u>\$ 15,289,449</u>	<u>\$ 27,671,760</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Fund Balances - Non-Major Governmental Funds
For the Year Ended December 31, 2017

	Special Revenue Funds	Capital Project Funds	Total Non-Major Governmental Funds
Revenues:			
Taxes			
Property	\$ 125,225	\$ -	\$ 125,225
Motor vehicle	15,049	-	15,049
Sales	61,959	-	61,959
911 emergency	1,037,997	-	1,037,997
Intergovernmental	3,524,810	1,880,515	5,405,325
Charges for services	1,906,074	278,820	2,184,894
License, fines, fees and permits	2,081,367	7,816	2,089,183
Special assessments	-	794	794
Other	888,695	289,242	1,177,937
Total revenues	<u>9,641,176</u>	<u>2,457,187</u>	<u>12,098,363</u>
Expenditures:			
Current:			
General government	1,747,050	1,177,377	2,924,427
Public safety and judicial	4,907,509	-	4,907,509
Public works, highways and streets	1,214,846	495,146	1,709,992
Health, welfare and education	61,053	-	61,053
Culture and recreation	64,037	-	64,037
Debt service:			
Principal retirement	726,211	310,765	1,036,976
Interest and fiscal charges	137,981	96,723	234,704
Capital outlay	-	15,441,326	15,441,326
Total expenditures	<u>8,858,687</u>	<u>17,521,337</u>	<u>26,380,024</u>
Excess of revenues over (under) expenditures	<u>782,489</u>	<u>(15,064,150)</u>	<u>(14,281,661)</u>
Other financing sources (uses):			
Issuance of debt	-	2,423,799	2,423,799
Issuance of refunding debt	-	3,455,000	3,455,000
Issuance premium	-	199,521	199,521
Payments to escrow agent	-	(3,563,847)	(3,563,847)
Transfers in	1,549,318	17,231,901	18,781,219
Transfers (out)	<u>(340,145)</u>	<u>(922,730)</u>	<u>(1,262,875)</u>
Total other financing sources (uses)	<u>1,209,173</u>	<u>18,823,644</u>	<u>20,032,817</u>
Net change in fund balances	1,991,662	3,759,494	5,751,156
Fund balances - beginning of year	<u>9,639,678</u>	<u>10,187,398</u>	<u>19,827,076</u>
Fund balances - end of year	<u>\$ 11,631,340</u>	<u>\$ 13,946,892</u>	<u>\$ 25,578,232</u>

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Governmental Funds
December 31, 2017

	Sewers	Transient Guest Tax	Special Alcohol & Drug Program	Corrections	911 Emergency	Register of Deeds Technology	Motor Vehicle
Assets							
Cash and short-term investments	\$ 357,524	\$ 27,595	\$ 3,708	\$ 2,497	\$ 1,597,870	\$ 664,012	\$ 288,772
Taxes receivable, net	35,575	-	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-	-	-
Due from other governments	-	15,792	-	56,698	173,168	-	-
Prepays	-	-	-	-	-	-	46,932
Total assets	\$ 393,099	\$ 43,387	\$ 3,708	\$ 59,195	\$ 1,771,038	\$ 664,012	\$ 335,704
Liabilities, deferred inflows of resources and fund balances							
Liabilities:							
Accounts payable	\$ 19,136	-	-	\$ 25,506	\$ 15,253	\$ 6,326	\$ 9,218
Accrued expenditures	-	-	-	29,679	-	1,120	44,143
Due to other funds	-	-	-	-	-	-	235,411
Total liabilities	19,136	-	-	55,185	15,253	7,446	288,772
Deferred inflows of resources:							
Unavailable revenue - property taxes	35,574	-	-	-	-	-	-
Unavailable revenue - grants	-	-	-	4,010	-	-	-
Total deferred inflows of resources	35,574	-	-	4,010	-	-	-
Fund balances							
Nonspendable:							
Prepaid items	-	-	-	-	-	-	46,932
Restricted:							
Public safety and judicial	-	-	-	-	1,755,785	-	-
Public works, highways and streets	-	-	-	-	-	-	-
Health, welfare and education	-	-	3,708	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Other purposes	338,389	43,387	-	-	-	656,566	-
Committed:							
Public safety and judicial	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Assigned:							
Public safety and judicial	-	-	-	-	-	-	-
Public works, highways and streets	-	-	-	-	-	-	-
Health, welfare and education	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balances	\$ 393,099	\$ 43,387	\$ 3,708	\$ 59,195	\$ 1,771,038	\$ 664,012	\$ 335,704

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Governmental Fund:
December 31, 201

	Special Liability	Special Highway, Bridge and Machinery	Other Special Revenue	Federal Grants	State Grants	Total Non-Major Special Revenue Funds
Assets						
Cash and short-term investments	\$ 169,275	\$ 5,338,847	\$ 3,361,855	\$ -	\$ 78,724	\$ 11,890,679
Taxes receivable, net	97,190	-	-	-	-	132,765
Accounts receivable, net	-	-	3,084	-	-	3,084
Due from other governments	-	-	-	49,993	4,837	300,488
Prepays	-	-	8,363	-	-	55,295
Total assets	\$ 266,465	\$ 5,338,847	\$ 3,373,302	\$ 49,993	\$ 83,561	\$ 12,382,311
Liabilities, deferred inflows of resources and fund balances						
Liabilities:						
Accounts payable	\$ 2,685	\$ 46,442	\$ 45,450	\$ 2,060	\$ 31,000	\$ 203,076
Accrued expenditures	-	-	995	-	12,980	88,917
Due to other funds	-	-	-	-	-	235,411
Total liabilities	\$ 2,685	\$ 46,442	\$ 46,445	\$ 2,060	\$ 43,980	\$ 527,404
Deferred inflows of resources:						
Unavailable revenue - property taxes	96,770	-	-	-	-	132,344
Unavailable revenue - grants	-	-	-	47,933	39,280	91,223
Total deferred inflows of resources	\$ 96,770	\$ -	\$ -	\$ 47,933	\$ 39,280	\$ 223,567
Fund balances						
Nonspendable:						
Prepaid items	-	-	8,363	-	-	55,295
Restricted:						
Public safety and judicial	-	-	1,487,781	-	301	3,243,867
Public works, highways and streets	-	5,292,405	-	-	-	5,292,405
Health, welfare and education	-	-	62,010	-	-	65,718
Culture and recreation	-	-	253,447	-	-	253,447
Other purposes	167,010	-	-	-	-	1,205,352
Committed:						
Public safety and judicial	-	-	354,339	-	-	354,339
Culture and recreation	-	-	59,069	-	-	59,069
Assigned:						
Public safety and judicial	-	-	644,708	-	-	644,708
Public works, highways and streets	-	-	11,568	-	-	11,568
Health, welfare and education	-	-	4,320	-	-	4,320
Culture and recreation	-	-	441,252	-	-	441,252
Total liabilities, deferred inflows of resources and fund balances	\$ 266,465	\$ 5,338,847	\$ 3,373,302	\$ 49,993	\$ 83,561	\$ 12,382,311

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2017

	Sewers	Transient Guest Tax	Special Alcohol & Drug Program	Corrections	911 Emergency	Register of Deeds Technology	Motor Vehicle
Revenues:							
Taxes							
Property	\$ 35,805	-	\$ -	\$ -	\$ -	\$ -	\$ -
Motor vehicle	-	-	-	-	-	-	-
Sales	-	61,959	-	-	-	-	-
911 emergency	-	-	-	-	1,037,997	-	-
Intergovernmental	-	-	47,129	1,682,834	-	-	-
Charges for services	1,501,088	-	-	-	-	-	-
License, fines, fees and permits	-	-	-	-	-	342,585	1,650,454
Other	3,704	-	-	-	-	-	-
Total revenues	<u>1,540,597</u>	<u>61,959</u>	<u>47,129</u>	<u>1,682,834</u>	<u>1,037,997</u>	<u>342,585</u>	<u>1,650,454</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	256,934	1,393,586
Public safety and judicial	-	-	36,405	1,667,475	476,949	-	-
Public works, highways and streets	628,106	-	-	-	-	-	-
Health, welfare and education	-	-	-	-	-	-	-
Culture and recreation	-	62,672	-	-	-	-	-
Debt service:							
Principal retirement	726,211	-	-	-	-	-	-
Interest and fiscal charges	137,981	-	-	-	-	-	-
Total expenditures	<u>1,492,298</u>	<u>62,672</u>	<u>36,405</u>	<u>1,667,475</u>	<u>476,949</u>	<u>256,934</u>	<u>1,393,586</u>
Excess of revenues over (under) expenditures	<u>48,299</u>	<u>(713)</u>	<u>10,724</u>	<u>15,359</u>	<u>561,048</u>	<u>85,651</u>	<u>256,868</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	<u>(32,183)</u>	<u>-</u>	<u>(10,725)</u>	<u>(15,359)</u>	<u>-</u>	<u>-</u>	<u>(260,411)</u>
Total other financing sources (uses)	<u>(32,183)</u>	<u>-</u>	<u>(10,725)</u>	<u>(15,359)</u>	<u>-</u>	<u>-</u>	<u>(260,411)</u>
Net change in fund balances	16,116	(713)	(1)	-	561,048	85,651	(3,543)
Fund balances - beginning of year	322,273	44,100	3,709	-	1,194,737	570,915	50,475
Fund balances - end of year	<u>\$ 338,389</u>	<u>\$ 43,387</u>	<u>\$ 3,708</u>	<u>\$ -</u>	<u>\$ 1,755,785</u>	<u>\$ 656,566</u>	<u>\$ 46,932</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2017

	Special Liability	Special Highway, Bridge and Machinery	Other Special Revenue	Federal Grants	State Grants	Total Non-Major Special Revenue Funds
Revenues:						
Taxes						
Property	\$ 89,420	\$ -	\$ -	\$ -	\$ -	\$ 125,225
Motor vehicle	15,049	-	-	-	-	15,049
Sales	-	-	-	-	-	61,959
911 emergency	-	-	-	-	-	1,037,997
Intergovernmental	-	1,705	67,172	531,323	1,194,647	3,524,810
Charges for services	-	14,455	390,531	-	-	1,906,074
License, fines, fees and permits	-	-	88,328	-	-	2,081,367
Other	102	-	884,889	-	-	888,895
Total revenues	104,571	16,160	1,430,920	531,323	1,194,647	9,641,176
Expenditures:						
Current:						
General government	82,831	-	13,699	-	-	1,747,050
Public safety and judicial	-	-	1,004,416	532,366	1,189,898	4,907,509
Public works, highways and streets	-	579,735	7,005	-	-	1,214,846
Health, welfare and education	-	-	61,053	-	-	61,053
Culture and recreation	-	-	1,365	-	-	64,037
Debt service:						
Principal retirement	-	-	-	-	-	726,211
Interest and fiscal charges	-	-	-	-	-	137,981
Total expenditures	82,831	579,735	1,087,538	532,366	1,189,898	8,866,687
Excess of revenues over (under) expenditures	21,740	(563,575)	343,382	(1,043)	4,749	782,489
Other financing sources (uses):						
Transfers in	-	1,482,919	65,356	1,043	-	1,549,318
Transfers (out)	-	(15,000)	-	-	(6,467)	(340,145)
Total other financing sources (uses)	-	1,467,919	65,356	1,043	(6,467)	1,209,173
Net change in fund balances	21,740	904,344	408,738	-	(1,718)	1,991,662
Fund balances - beginning of year	145,270	4,388,061	2,918,119	-	2,019	9,639,678
Fund balances - end of year	\$ 167,010	\$ 5,292,405	\$ 3,326,857	\$ -	\$ 301	\$ 11,631,340

Shawnee County, Kansas
Combining Balance Sheet - Non-Major Capital Project Funds
December 31, 2017

	Building and Maintenance	Bridge Projects	County Projects	Equipment	Infrastructure	Special Assessments	Certificates of Participation	Total Non-Major Capital Project Funds
Assets								
Cash and short-term investments	\$ 3,733,703	\$ 3,883,695	\$ 1,169,341	\$ 3,805,839	\$ 909,920	\$ -	\$ 946,403	\$ 14,448,901
Accounts receivable, net	1,274	-	-	-	-	-	-	1,274
Due from other governments	-	839,274	-	-	-	-	-	839,274
Total assets	\$ 3,734,977	\$ 4,722,969	\$ 1,169,341	\$ 3,805,839	\$ 909,920	\$ -	\$ 946,403	\$ 15,289,449
Liabilities, deferred inflows of resources and fund balances (deficits)								
Liabilities:								
Accounts payable	\$ 212,166	\$ 94,656	\$ 36,493	\$ 262,480	\$ 15,471	\$ -	\$ 288,578	\$ 910,244
Due to other funds	-	-	-	-	-	432,313	-	432,313
Total liabilities	212,166	94,656	36,493	262,480	15,471	432,313	288,578	1,342,557
Fund balances (deficits)								
Restricted:								
Capital projects	-	-	-	-	-	-	657,425	657,425
Assigned:								
Capital projects	3,522,811	4,628,313	1,132,848	3,543,359	894,449	-	-	13,721,780
Unassigned	-	-	-	-	-	(432,313)	-	(432,313)
Total fund balances (deficits)	3,522,811	4,628,313	1,132,848	3,543,359	894,449	(432,313)	657,425	13,946,892
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,734,977	\$ 4,722,969	\$ 1,169,341	\$ 3,805,839	\$ 909,920	\$ -	\$ 946,403	\$ 15,289,449

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Capital Project Funds
For the Year Ended December 31, 2017

	Building and Maintenance	Bridge Projects	County Projects	Equipment	Infrastructure	Special Assessments	Certificates of Participation	Total Non-Major Capital Project Funds
Revenues:								
Intergovernmental	\$ -	\$ 855,722	\$ -	\$ -	\$ 1,024,793	\$ -	\$ -	\$ 1,880,515
Charges for services	266,288	-	-	-	-	12,532	-	278,820
License, fines, fees and permits	-	-	7,816	-	-	-	-	7,816
Special assessments	-	-	-	-	-	794	-	794
Other	190,659	-	85,745	-	4,944	1,443	6,451	289,242
Total revenues	<u>456,947</u>	<u>855,722</u>	<u>93,561</u>	<u>-</u>	<u>1,029,737</u>	<u>14,769</u>	<u>6,451</u>	<u>2,457,187</u>
Expenditures:								
Current:								
General government	1,177,119	-	-	-	258	-	-	1,177,377
Public works, highways and streets	-	-	-	-	-	495,146	-	495,146
Debt service:								
Principal retirement	6,800	-	-	303,965	-	-	-	310,765
Interest and fiscal charges	-	-	-	6,049	-	-	90,674	96,723
Capital outlay	-	8,740,996	472,787	889,518	4,102,041	-	1,235,984	15,441,326
Total expenditures	<u>1,183,919</u>	<u>8,740,996</u>	<u>472,787</u>	<u>1,199,532</u>	<u>4,102,299</u>	<u>495,146</u>	<u>1,326,658</u>	<u>17,521,337</u>
Excess of revenues over (under) expenditures	<u>(726,972)</u>	<u>(7,885,274)</u>	<u>(379,226)</u>	<u>(1,199,532)</u>	<u>(3,072,562)</u>	<u>(480,377)</u>	<u>(1,320,207)</u>	<u>(15,064,150)</u>
Other financing sources (uses):								
Issuance of debt	-	2,423,799	-	-	-	-	-	2,423,799
Issuance of refunding debt	-	-	-	-	-	-	3,455,000	3,455,000
Issuance premium	-	-	-	-	-	-	199,521	199,521
Payments to escrow agent	-	-	-	-	-	-	(3,563,847)	(3,563,847)
Transfers in	1,658,498	10,504,542	351,409	2,000,000	650,000	132,950	1,934,402	17,231,901
Transfers (out)	-	-	-	-	(815,808)	(106,922)	-	(922,730)
Total other financing sources (uses)	<u>1,658,498</u>	<u>12,928,441</u>	<u>351,409</u>	<u>2,000,000</u>	<u>(165,808)</u>	<u>26,028</u>	<u>2,025,076</u>	<u>18,823,644</u>
Net change in fund balances	<u>931,526</u>	<u>5,043,167</u>	<u>(27,817)</u>	<u>800,468</u>	<u>(3,238,370)</u>	<u>(454,349)</u>	<u>704,869</u>	<u>3,759,494</u>
Fund balances (deficits) - beginning of year	<u>2,591,285</u>	<u>(414,854)</u>	<u>1,160,665</u>	<u>2,742,891</u>	<u>4,132,819</u>	<u>22,036</u>	<u>(47,444)</u>	<u>10,187,398</u>
Fund balances (deficits) - end of year	<u>\$ 3,522,811</u>	<u>\$ 4,628,313</u>	<u>\$ 1,132,848</u>	<u>\$ 3,543,359</u>	<u>\$ 894,449</u>	<u>\$ (432,313)</u>	<u>\$ 657,425</u>	<u>\$ 13,946,892</u>

Shawnee County, Kansas
Combining Statement of Net Position
Internal Service Funds
December 31, 2017

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
Assets			
Cash and short-term investments	\$ 2,715,083	\$ 3,978,101	\$ 6,693,184
Due from other funds	12,935	-	12,935
Total assets	<u>\$ 2,728,018</u>	<u>\$ 3,978,101</u>	<u>\$ 6,706,119</u>
Liabilities			
Liabilities:			
Accounts payable	\$ 24,628	\$ 83,072	\$ 107,700
Claims payable	2,192,989	912,082	3,105,071
Total liabilities	<u>2,217,617</u>	<u>995,154</u>	<u>3,212,771</u>
Net Position			
Total Unrestricted net position	<u>\$ 510,401</u>	<u>\$ 2,982,947</u>	<u>\$ 3,493,348</u>

Shawnee County, Kansas
Combining Statement of Revenues, Expenditures, and Changes in Net Position -
Internal Service Funds
For the Year Ended December 31, 2017

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 1,717,266	\$ 10,040,133	\$ 11,757,399
Other	16,274	666,023	682,297
Total operating revenues	<u>1,733,540</u>	<u>10,706,156</u>	<u>12,439,696</u>
Operating Expenses:			
Personal services	32,899	-	32,899
Contractual services	113,979	1,128,408	1,242,387
Claims	1,583,757	8,521,420	10,105,177
Other	-	11,630	11,630
Total operating expenses	<u>1,730,635</u>	<u>9,661,458</u>	<u>11,392,093</u>
Operating income	<u>2,905</u>	<u>1,044,698</u>	<u>1,047,603</u>
Transfers in	<u>12,935</u>	<u>11,630</u>	<u>24,565</u>
Change in net position	15,840	1,056,328	1,072,168
Net position - beginning of year	<u>494,561</u>	<u>1,926,619</u>	<u>2,421,180</u>
Net position - end of year	<u><u>\$ 510,401</u></u>	<u><u>\$ 2,982,947</u></u>	<u><u>\$ 3,493,348</u></u>

Shawnee County, Kansas
Combining Statement of Cash Flows -
Internal Service Funds
For the Year Ended December 31, 2017

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Insurance</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from interfund and other services	\$ 1,733,540	\$ 10,706,156	\$ 12,439,696
Payments of claims and other	(1,300,386)	(9,535,707)	(10,836,093)
Payments to employees for services	(32,899)	-	(32,899)
Net cash provided by operating activities	<u>400,255</u>	<u>1,170,449</u>	<u>1,570,704</u>
Cash flows from noncapital financing activities:			
(Increase) in due from other funds	(614)	-	(614)
Transfers from other funds	12,935	11,630	24,565
Net cash provided by noncapital financing activities	<u>12,321</u>	<u>11,630</u>	<u>23,951</u>
 Net increase in cash and short-term investments	 412,576	 1,182,079	 1,594,655
Cash and short-term investments, beginning of year	<u>2,302,507</u>	<u>2,796,022</u>	<u>5,098,529</u>
Cash and short-term investments, end of year	<u><u>\$ 2,715,083</u></u>	<u><u>\$ 3,978,101</u></u>	<u><u>\$ 6,693,184</u></u>
 Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 2,905	\$ 1,044,698	1,047,603
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Change in assets and liabilities:			
Accounts payable and accrued expenses	24,628	(8,420)	16,208
Claims payable	372,722	134,171	506,893
Net cash provided by operating activities	<u><u>\$ 400,255</u></u>	<u><u>\$ 1,170,449</u></u>	<u><u>\$ 1,570,704</u></u>

Shawnee County, Kansas
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2017

	Tax Holding Accounts	Special Taxing Districts	Other	Total Agency Funds
Assets				
Cash and investments	\$ 140,278,199	\$ 270,171	\$ 694,316	\$ 141,242,686
Tax Receivable, net	-	632,066	-	632,066
	<u>\$ 140,278,199</u>	<u>\$ 902,237</u>	<u>\$ 694,316</u>	<u>\$ 141,874,752</u>
Liabilities				
Due to taxing districts, governments, and others	<u>\$ 140,278,199</u>	<u>\$ 902,237</u>	<u>\$ 694,316</u>	<u>\$ 141,874,752</u>